



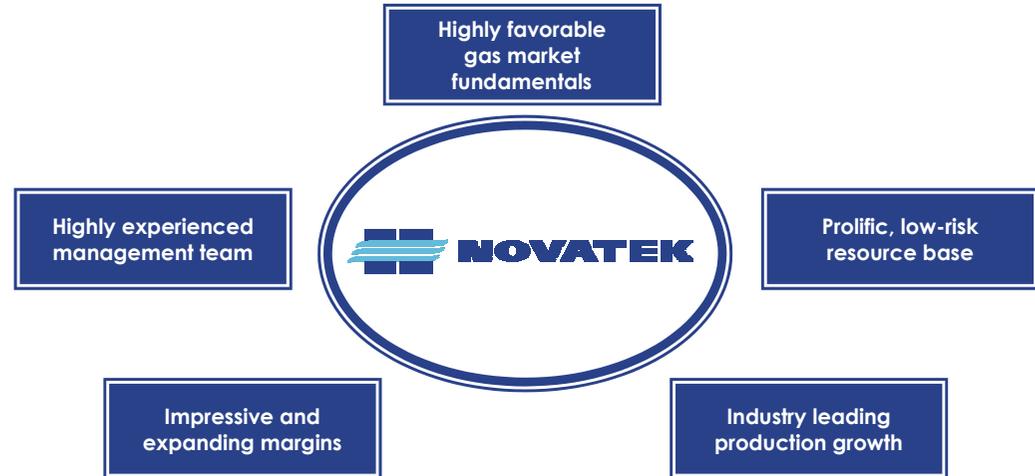
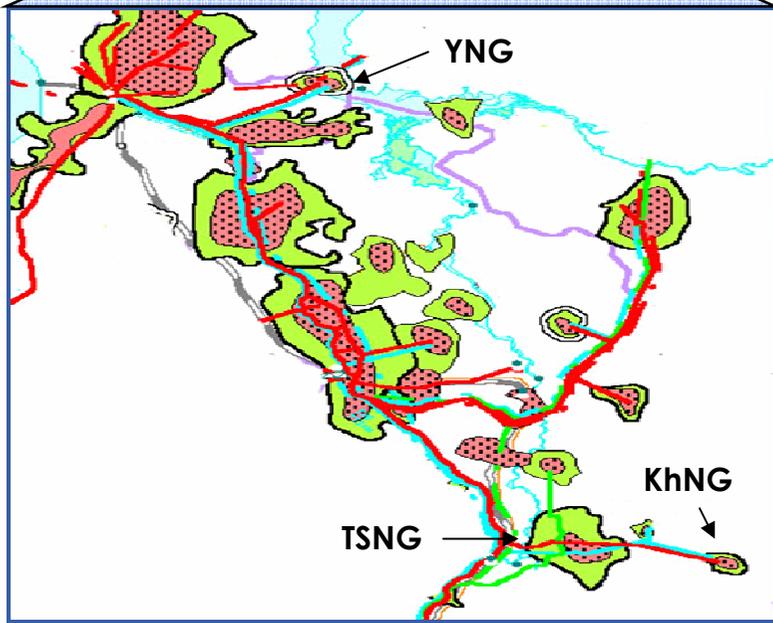
RenCap Securities Russia: New Investment Horizons 4th Annual Equity Conference



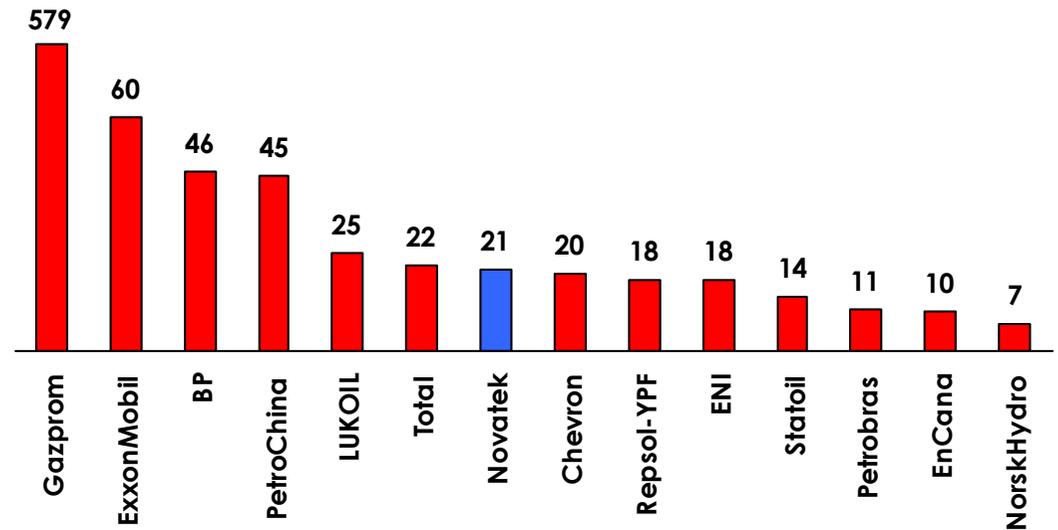
*Mark A. Gyetvay, Chief Financial Officer and Member of the Board of Directors
The Metropolitan Club, New York, NY
Thursday, October 20, 2005*

Novatek reserve summary

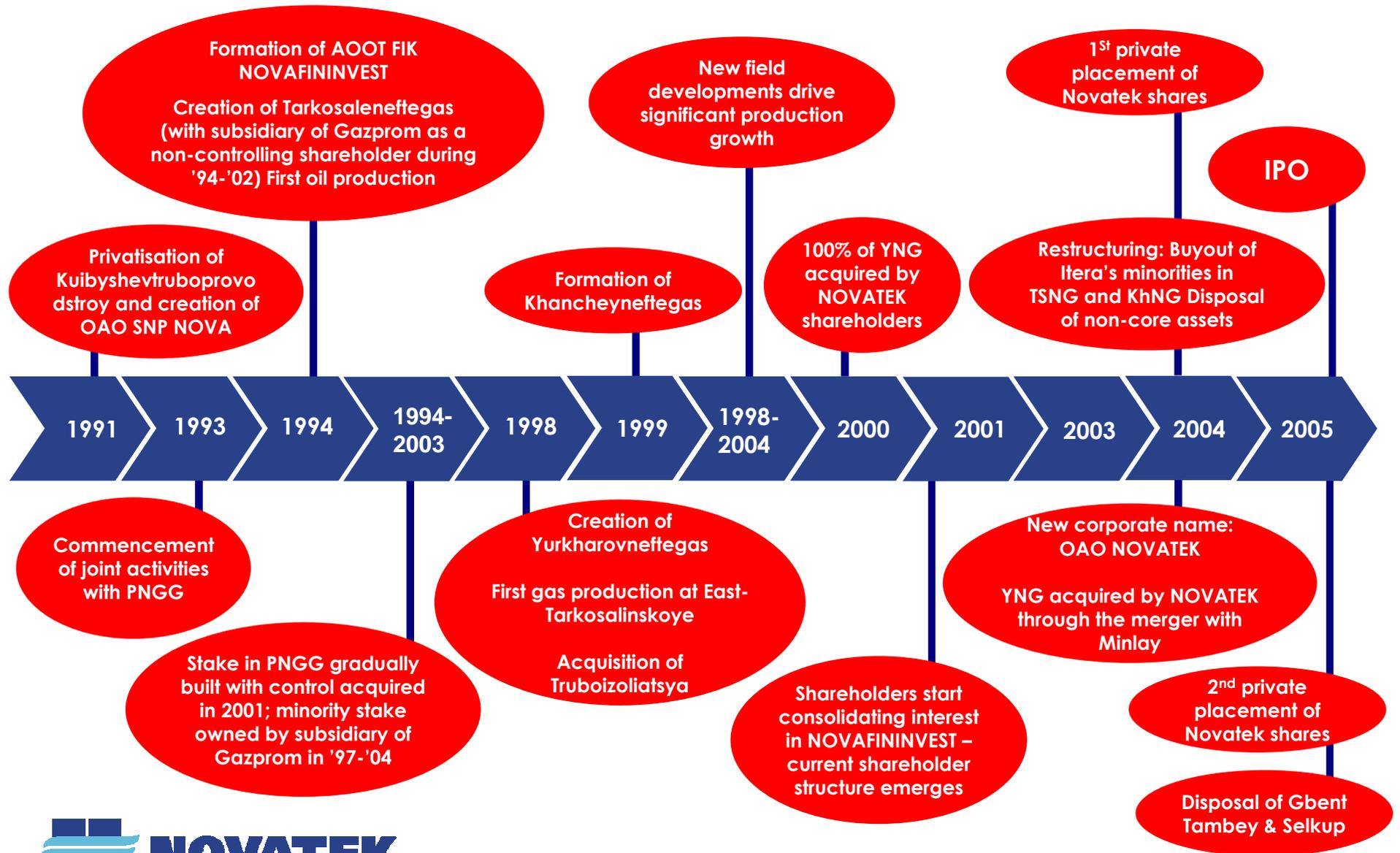
Map of operations



Proven reserves, tcf



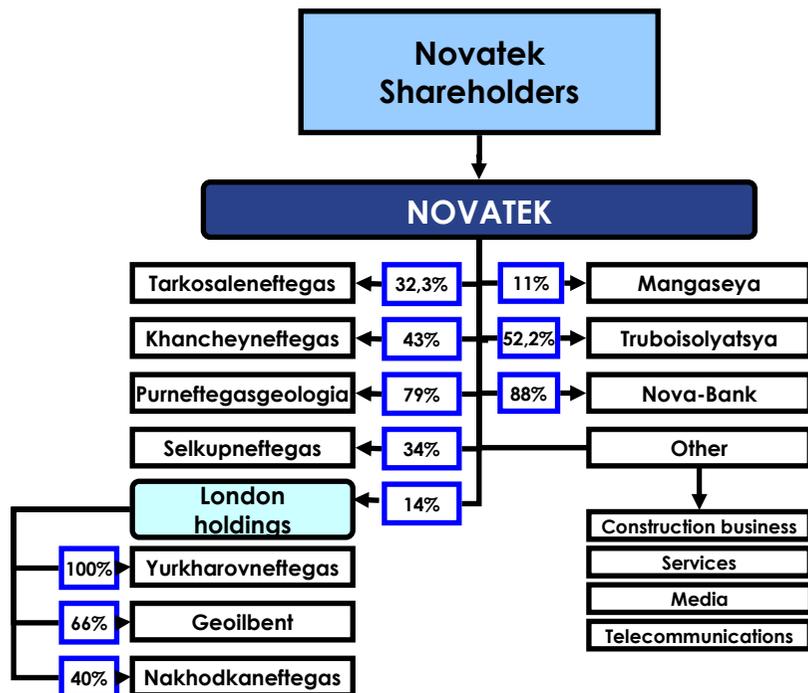
History of NOVATEK



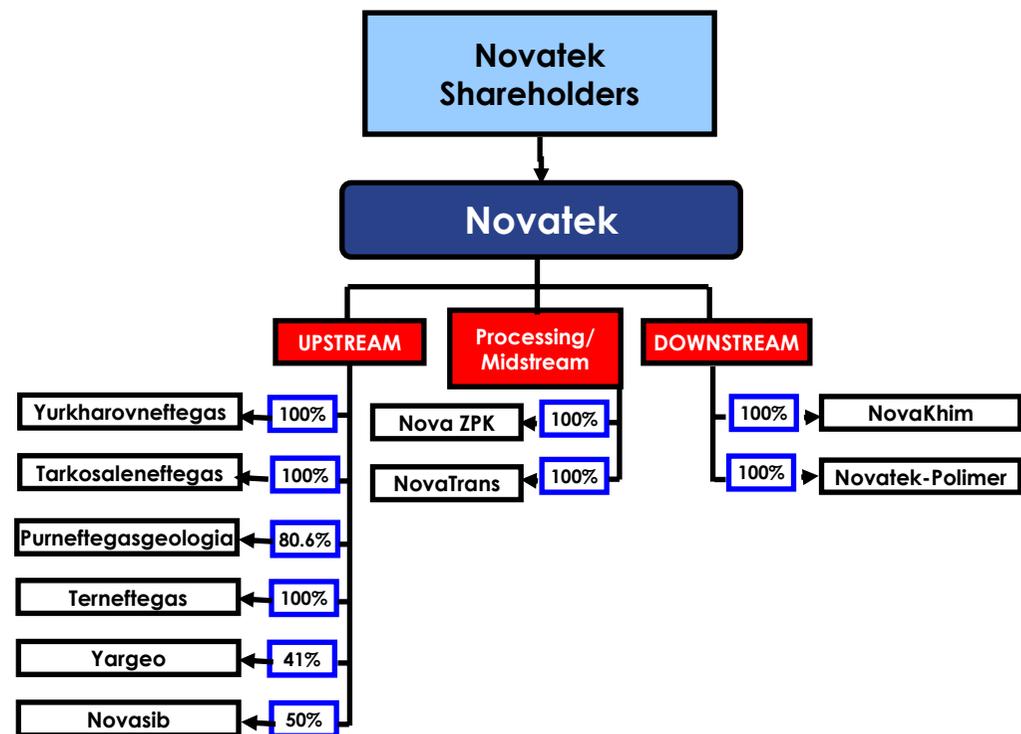
Corporate restructuring

Simplify corporate structure and improve transparency

Pre-restructuring (1H 2003)



Post-restructuring (1H 2005)



First half financial and operational results

Summary highlights

- ❑ Commencement of operations at the **Purovsky processing plant** and **Vitino port facilities** in June 2005
- ❑ Commencement of **BOPP production** at Novatek-Polimer
- ❑ **Disposals** of our 66% participation interest in **Geoilbent**, our 34% equity stake in **Selkupneftegas** and our 25.1% equity stake in **Tambeyneftegas** in June 2005
- ❑ Significant increase in **hydrocarbon sales volume** (HoH):
 - Natural gas sales volumes increased by 48.6%
 - Liquids sales volumes increased by 27.1%
- ❑ **Record revenues and earnings** driven by volume growth and favorable domestic and international price environment
- ❑ Continued **aggressive debt reduction** program – RR 5,461 million since beginning of year (as of 30 June 2005)

Robust financial performance

RR million	1H04	1H05	+/(-)	+/(-)%
Total revenues	13,053	18,359	5,306	41%
EBITDA⁽¹⁾	3,718	12,610	8,892	239%
EBITDA net of disposal gains ⁽²⁾	<i>3,718</i>	<i>8,999</i>	<i>5,281</i>	<i>142%</i>
Corporate Income Tax Rate	33%	25%	(8%)	
Profit attributable to Novatek	2,318	7,923	5,605	242%
Capex	4,212	3,201	(1,011)	(24%)
Net debt ⁽³⁾	8,576	16,195	7,619	89%
<i>Net debt / Net debt + Equity</i>	<i>39%</i>	<i>24%</i>	<i>(15%)</i>	

Notes:

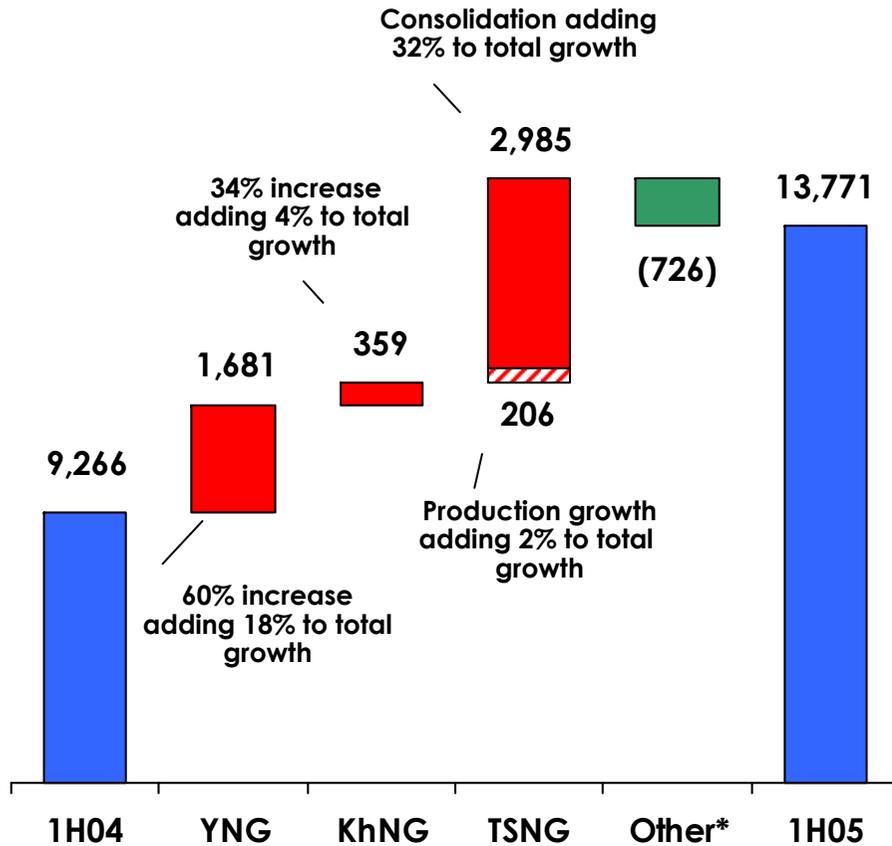
1 EBITDA defined as net income plus total finance expense plus depreciation, depletion and amortization plus total income tax expense

2 EBITDA less gain on disposal of investments in oil and gas producing subsidiaries and associates

3 Net debt calculated as long-term debt plus short-term debt less cash and cash equivalents

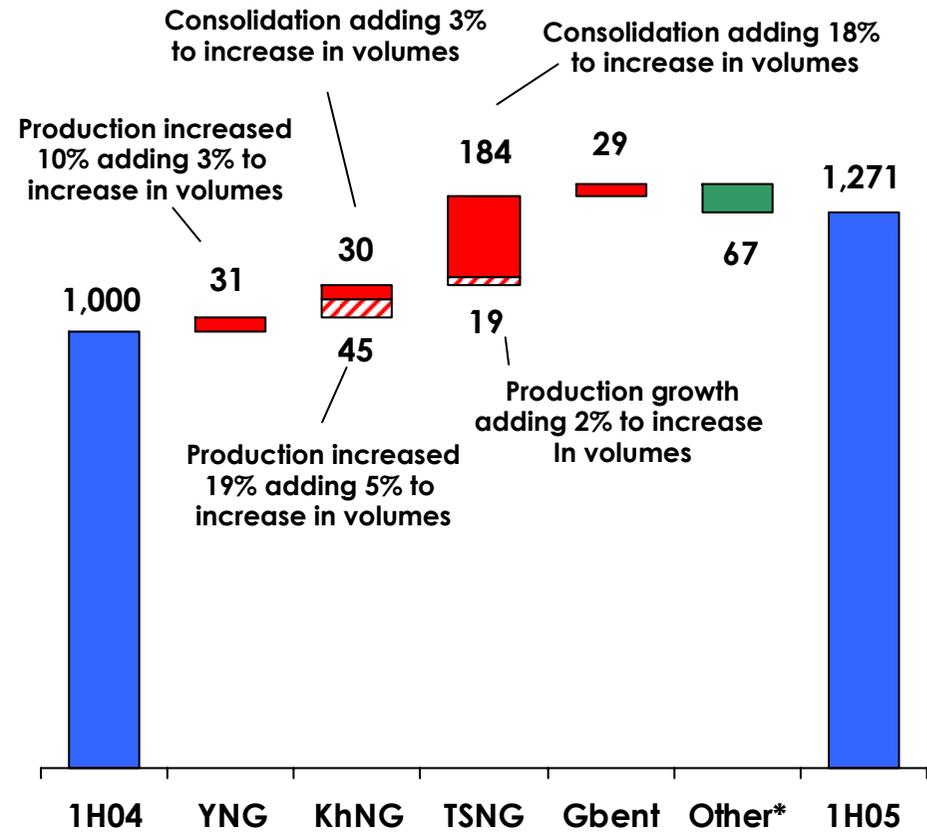
Hydrocarbon sales volumes (HoH)

Natural gas ('000 cm)



Natural gas sales volumes increased by 48.6%

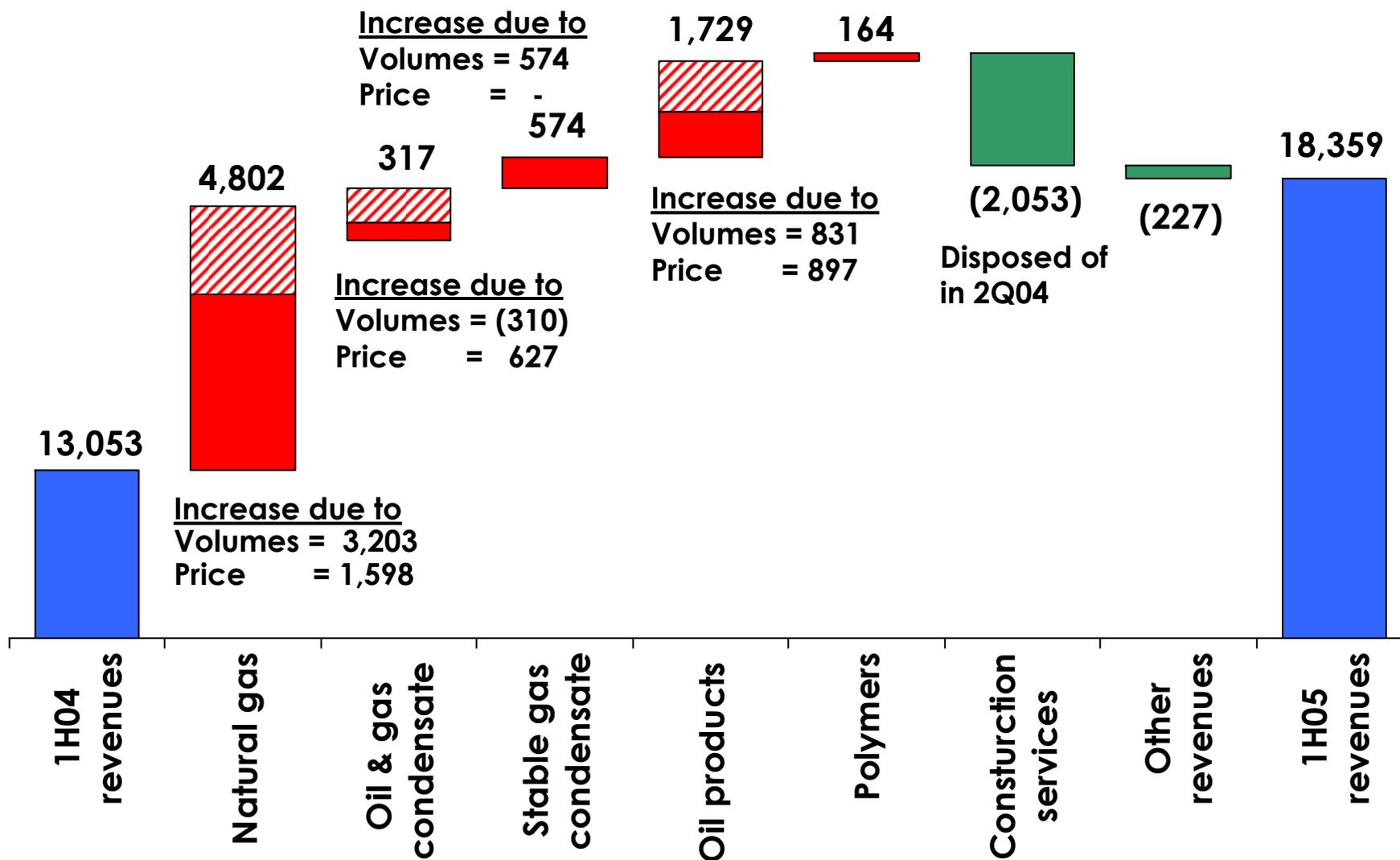
Liquids ('000 tonnes)



Liquid sales volumes increased by 27.1%

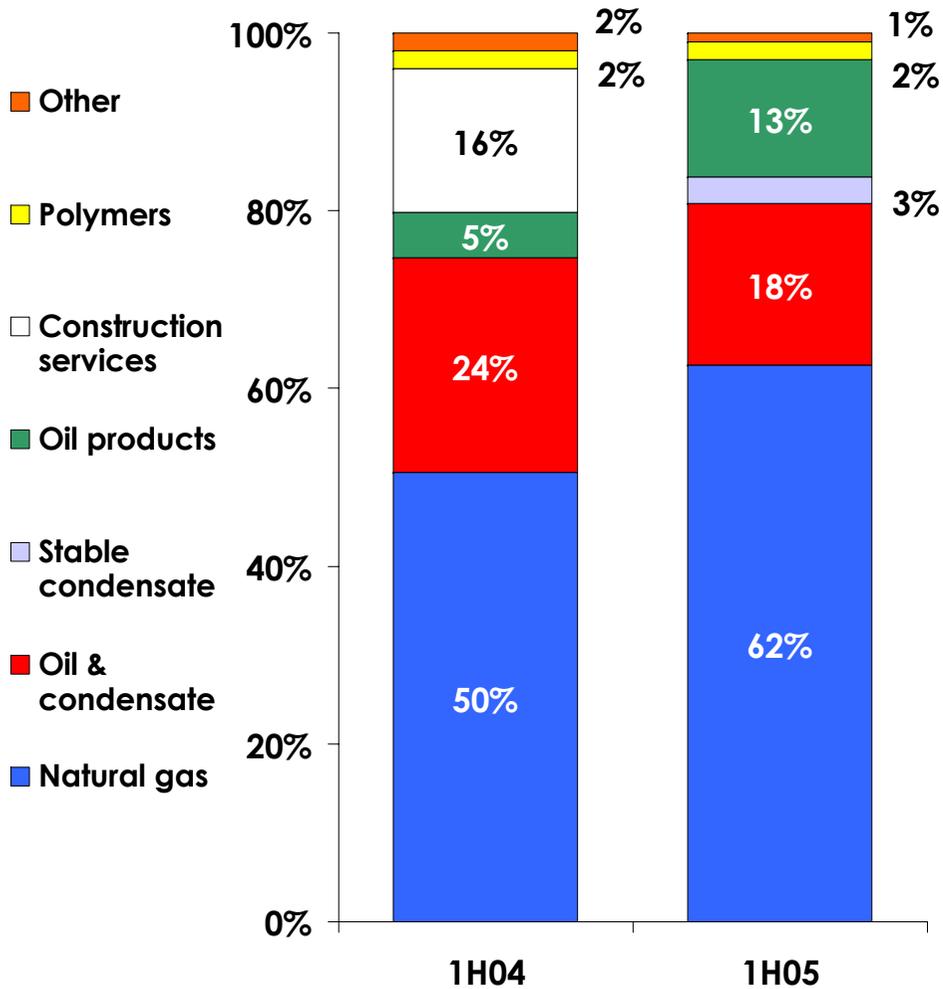
* Including changes in inventory

Revenue reconciliation (RR million)

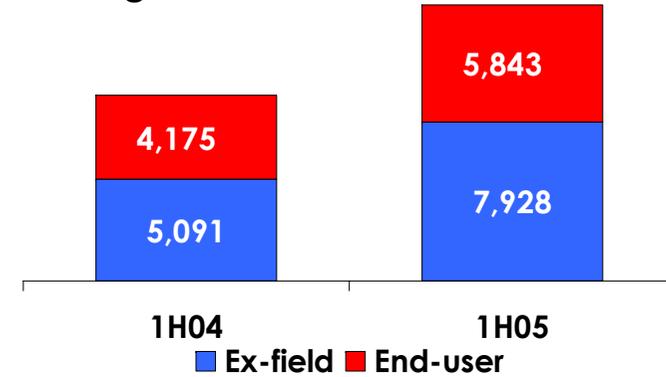


Revenue and market breakdown

Revenue components

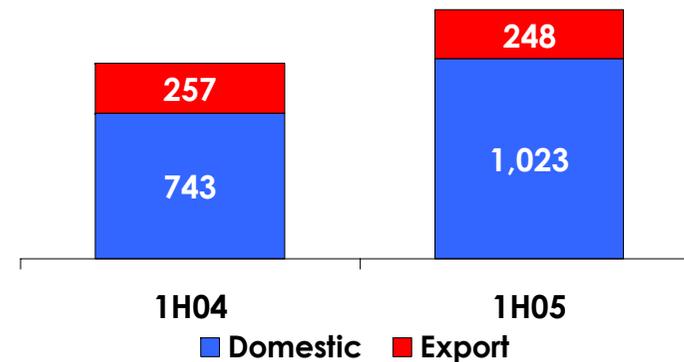


Natural gas sales



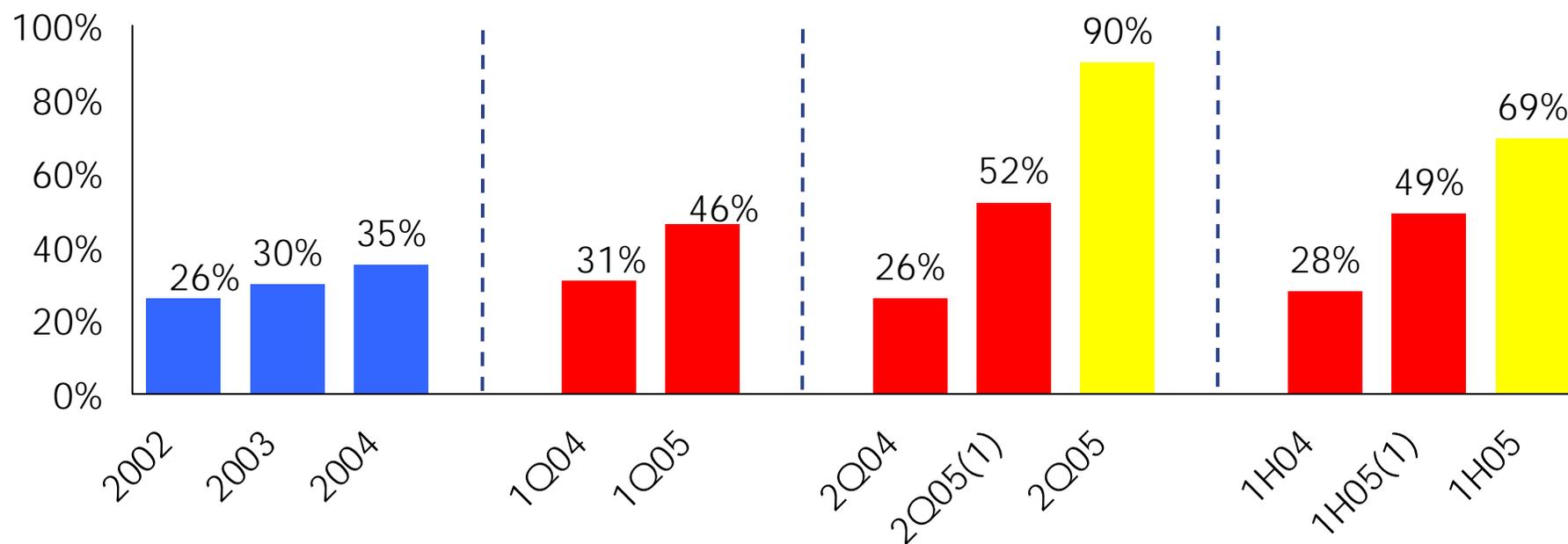
Larger proportion of Ex-field sales in 2005 due to Increase in sales to Itera

Liquid sales



Growth in export sales in 2Q05 due to commencement of Purovsky plant

Expanding EBITDA margins



Notes:

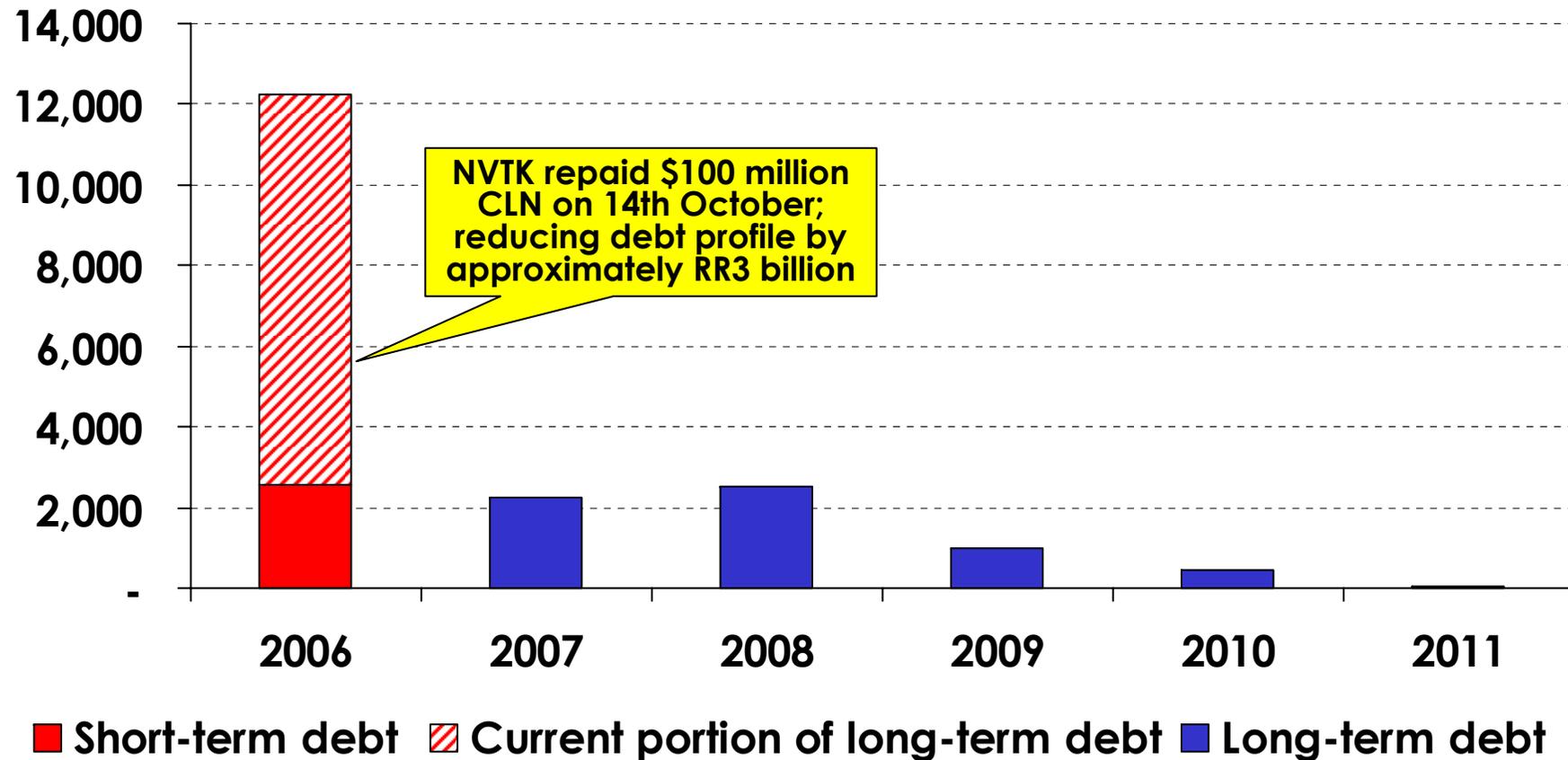
1 EBITDA less gain on disposal of investments in oil and gas producing subsidiaries and associates

Condensed balance sheet (RR million)

RR million	1H04	1H05	+ / (-)	+ / (-)%
Total current assets	7,544	19,634	12,090	160%
<i>Incl. Cash & cash equivalents</i>	<i>2,095</i>	<i>2,344</i>	<i>249</i>	<i>12%</i>
Total non-current assets	22,413	65,456	43,043	192%
<i>Incl. Net PP&E</i>	<i>13,050</i>	<i>63,928</i>	<i>50,878</i>	<i>390%</i>
Total assets	29,957	85,090	55,133	184%
Total current liabilities	9,085	16,179	7,094	78%
<i>Incl. ST Debt</i>	<i>2,281</i>	<i>12,258</i>	<i>9,977</i>	<i>437%</i>
Total non-current liabilities	10,204	16,194	5,990	59%
<i>Incl. Deferred income tax liability</i>	<i>1,640</i>	<i>8,627</i>	<i>6,987</i>	<i>426%</i>
Total Liabilities	16,289	32,373	16,084	99%
Shareholders Equity	13,298	52,717	39,419	296%
Total shareholders equity & liabilities	29,957	85,090	55,133	184%

Total debt maturity profile (RR million)

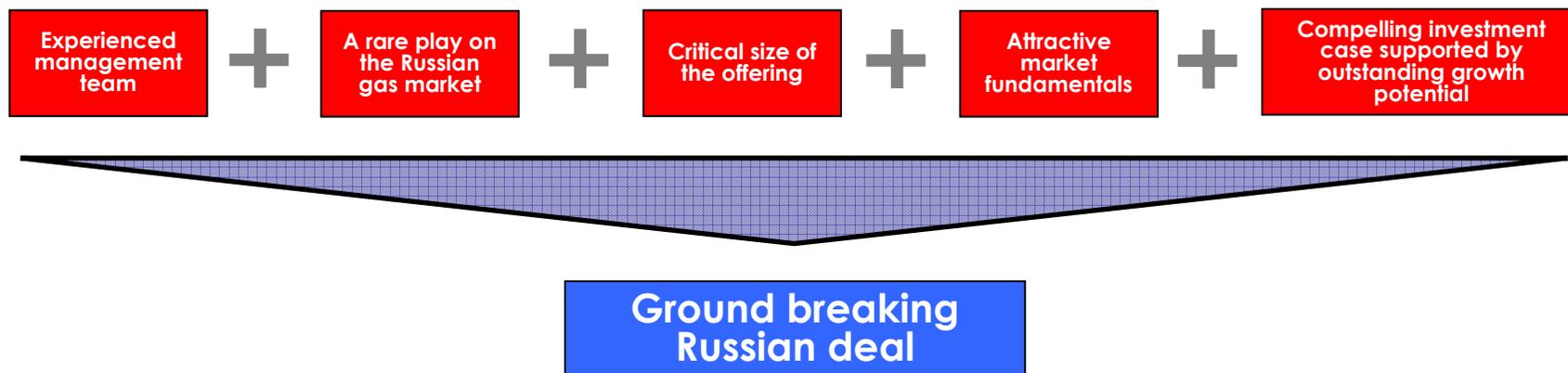
Current debt maturity profile as at 30 June



Capital market transaction review

Landmark transaction

- ❑ Second largest IPO of a Russian issuer, the first IPO of a Russian independent gas producer and the first Russian issuer under new UKLA requirements (effective 01.07.05)
- ❑ **Morgan Stanley and UBS:** *Joint Global Coordinators*
Morgan Stanley, UBS and CSFB: *Joint Lead Managers and Joint Bookrunners*
Troika Dialog: *Co-Lead Manager*
Alfa Capital Markets and Vnesheconombank: *Co-Managers*
- ❑ The transaction priced at US\$ 966 million (including 10% greenshoe option) and the book was more than thirteen times oversubscribed. The GDR's priced at the top of the US\$ 14.75 – 16.75 price range
- ❑ Novatek considered a must own stock in Russian portfolios and a pure play on the Russian gas market



Transaction overview timetable

Schedule of key transaction items	March			April				May					June				July				
	Week of	14	21	28	4	11	18	25	2	9	16	23	30	6	13	20	27	4	11	18	25
Kick off meeting		◆																			
Preparation of IFRS accounts																					
FY 2004 & 1Q 05 IFRS accounts published																◆					
Business plan & valuation work																					
Business, legal & financial due diligence																					
Prospectus drafting																					
Filings with the UK												◆		◆		◆					
UKLA review period																					
Analyst presentation														◆							
Research report preparation																					
Research report published (outside US)																◆					
Analyst investor education																					
Setting of price range (7 July)																				◆	
Printing and distribution of prelim. Prospectus (7 July)																				◆	
Management road-show / book building																					
Pricing & allocation																					◆
Printing and distribution of final prospectus																					◆
Closing (July 26)																					◆

Source: UBS Investment Bank

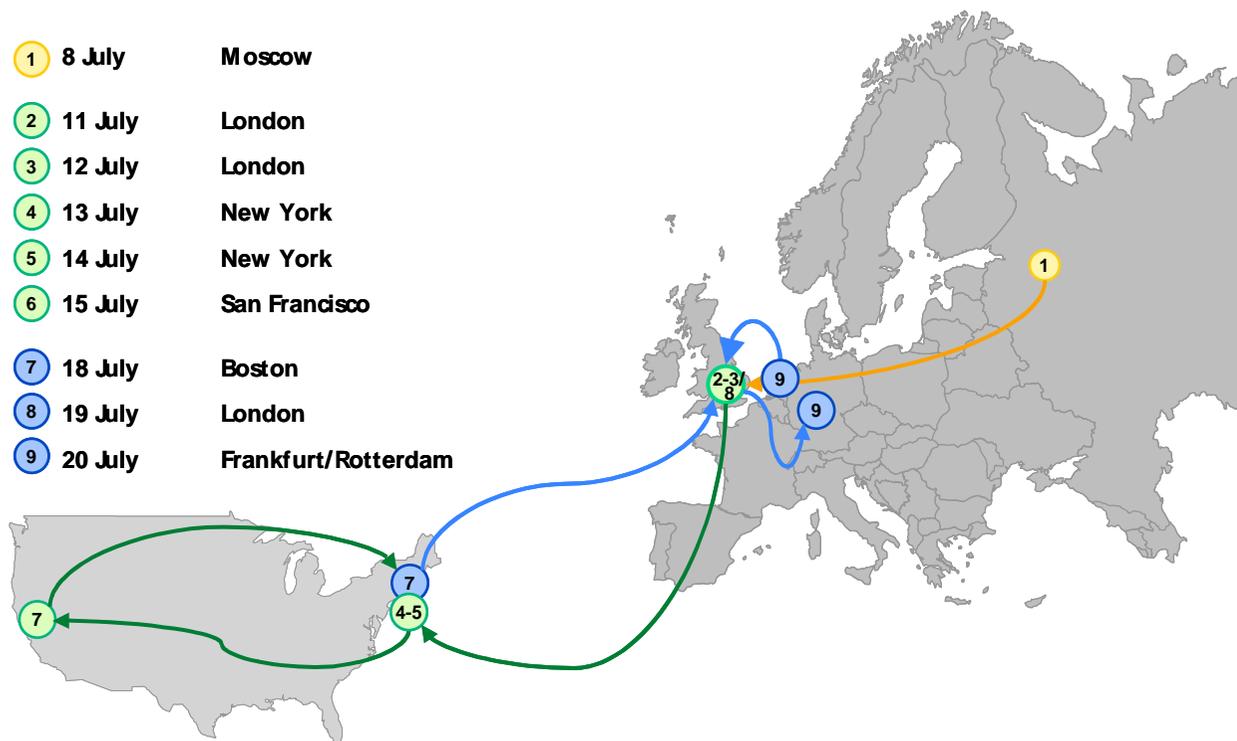


Management roadshow

Management conducted 56 One-on-One meetings with investors as well as a series of group meetings and conference calls in Moscow, London, New York, San Francisco, Boston, Frankfurt and Rotterdam

Roadshow schedule

- 1 8 July Moscow
- 2 11 July London
- 3 12 July London
- 4 13 July New York
- 5 14 July New York
- 6 15 July San Francisco
- 7 18 July Boston
- 8 19 July London
- 9 20 July Frankfurt/Rotterdam



Summary of meetings

Company	# of Meetings	Conversion Ratio (%)
UK	20	100
USA	24	92
Europe	13	78

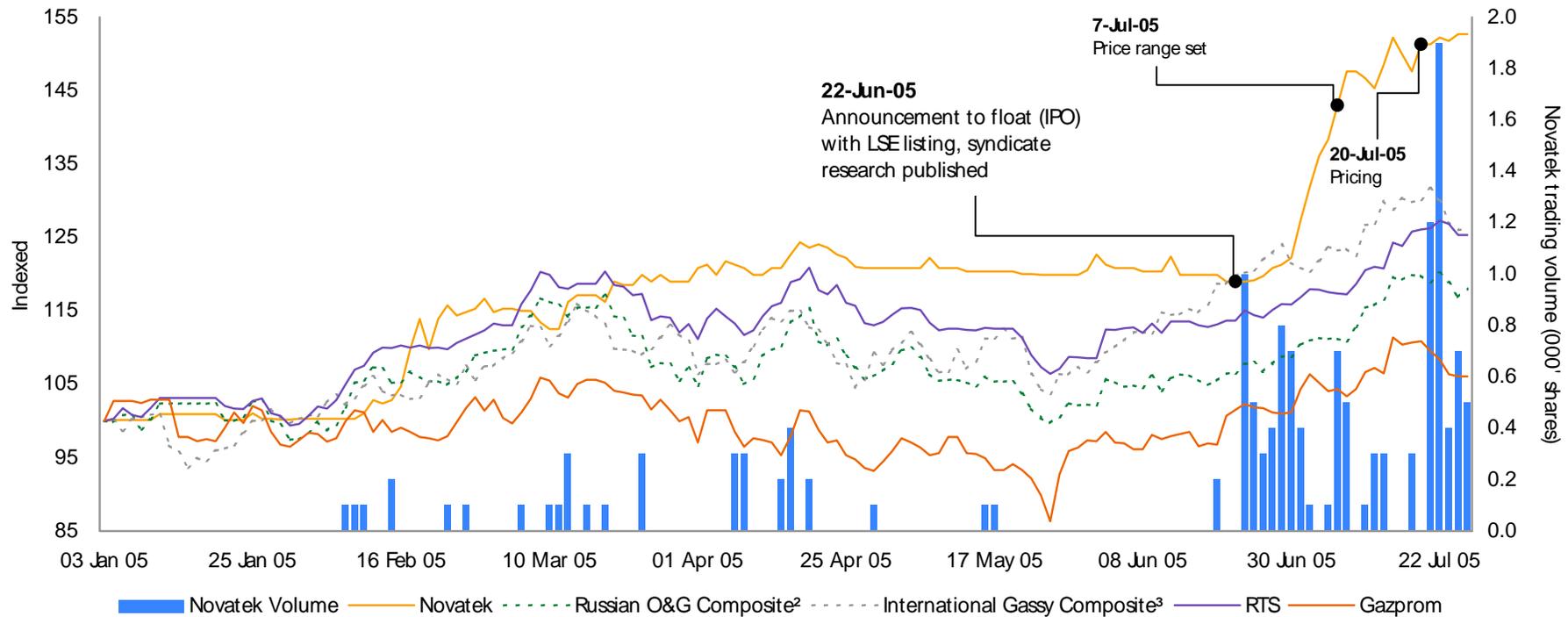
Overall conversion ratio > 90

Other Russian IPO's

Evraz-Holding	53
Pyaterochka	61
Sistema	75
Mechtel Steel	67

Source: UBS Investment Bank

Novatek trading performance pre-IPO



Notes:

1. As of 23 July 2005
2. Includes: Lukoil, Sibneft, Surgutneftegas
3. Includes: Burlington Resources, XTO Energy, Chesapeake Energy, Encana, Quicksilver Resources, Bill Barrett, BG

Novatek shares rallied approximately 39% over the marketing period of the IPO

- +15% since announcement of price range, over the bookbuilding period
- +39% since the announcement of the IPO, over the marketing period



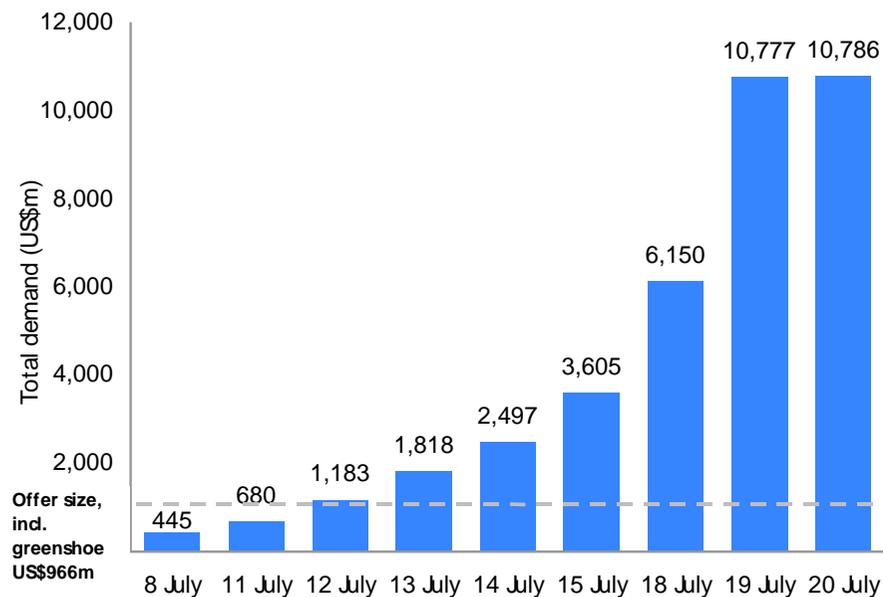
Book summary

- Limited price sensitivity across the price range and an extremely well covered book representing the largest ever demand for a Russian IPO

Summary of final book of demand

Total demand @ US\$ 16.75 per GDR	681,581,020
Coverage @ US\$ 16.75 per GDR (excl. Greenshoe)	13x

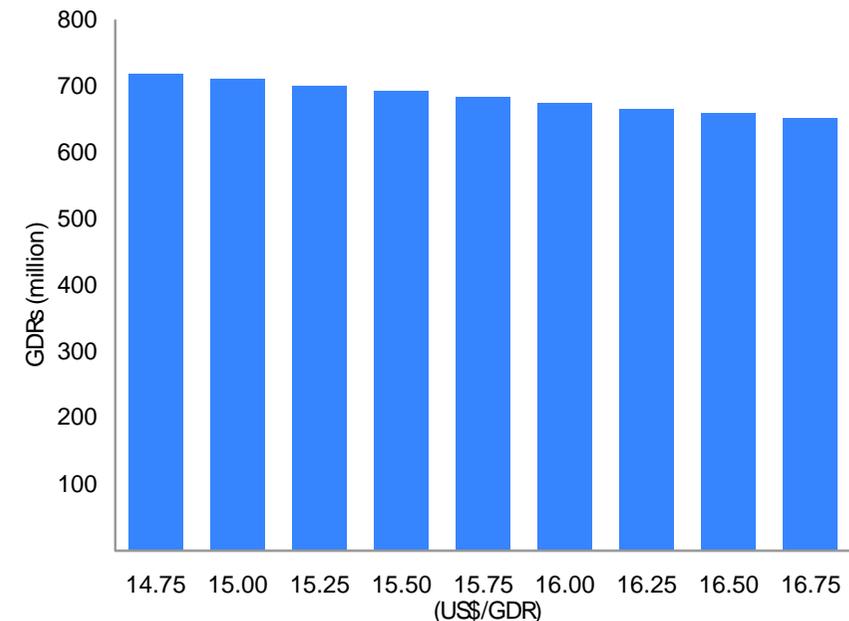
Demand build up day-by-day (at mid point of range)



Source: UBS Investment Bank



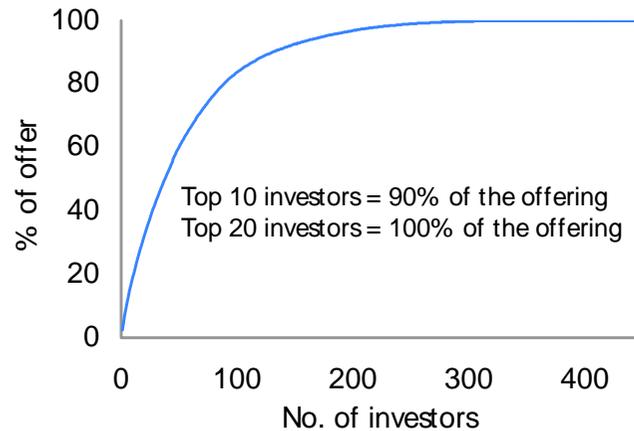
Demand at price



Source: UBS Investment Bank

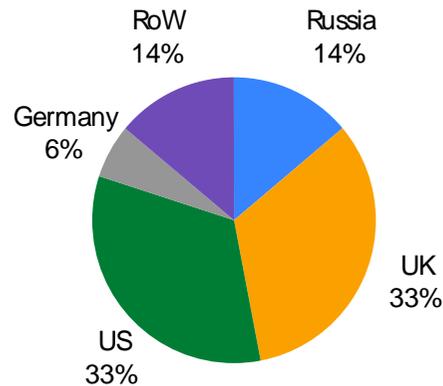
IPO allocation

Demand build up



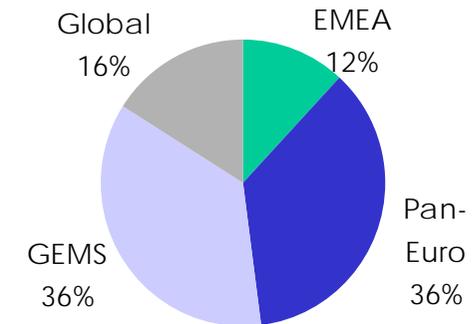
Source: UBS Investment Bank

Allocation by geography



Source: UBS Investment Bank

Allocation by demand type

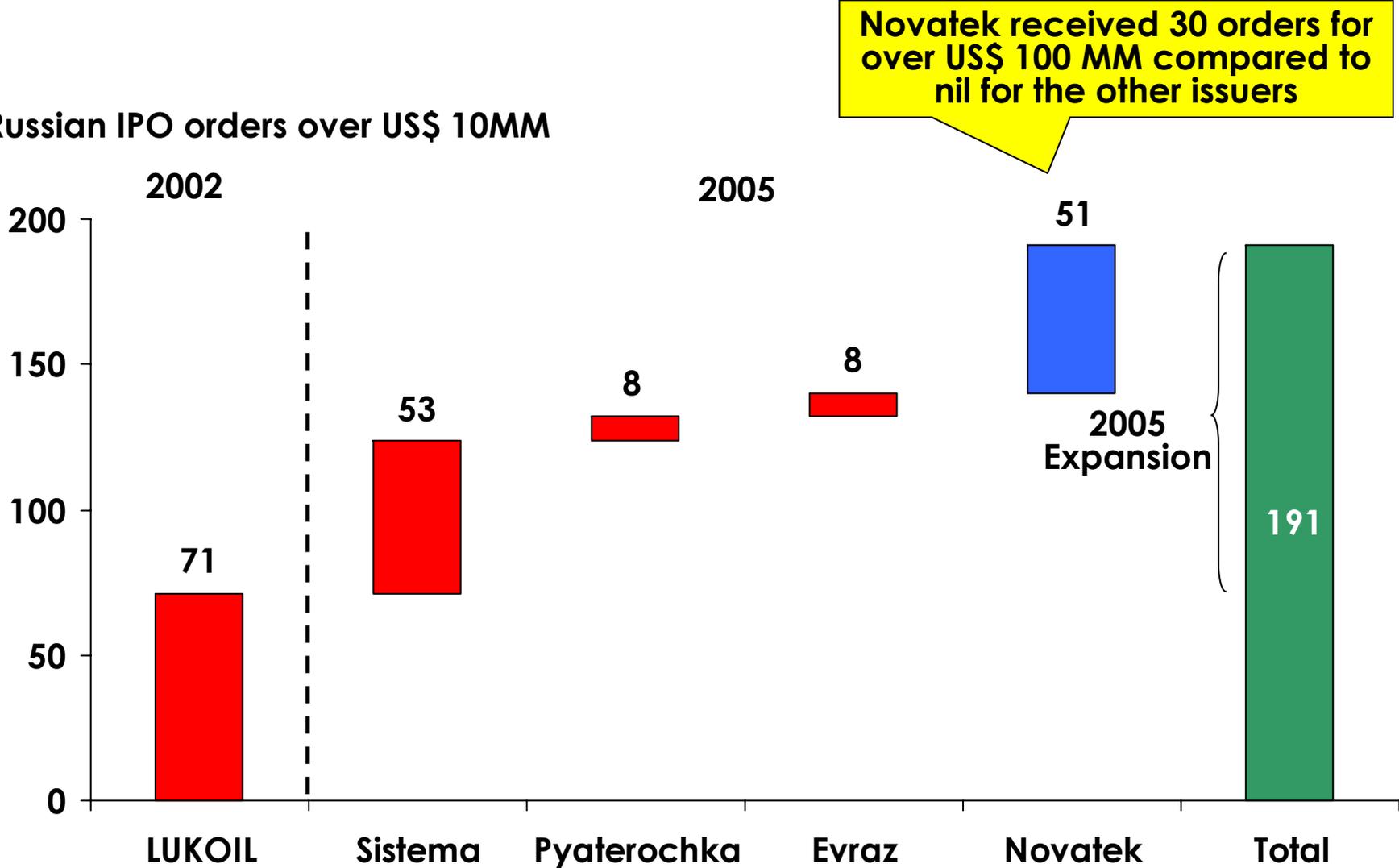


Source: Morgan Stanley

- ✓ **High quality investors declared interest early on and placed sizeable orders before meeting management**
- ✓ **Early demand covered the book in the first two days of the roadshow supported by Russian dedicated funds generating critical mass**
- ✓ **Large orders and oversubscription resulted in the book closing two days early**
- ✓ **Thirteen times coverage from a good mix of Russian dedicated funds, global funds and sector specialists**

Evolution of new investors in Russian IPO's

Russian IPO orders over US\$ 10MM



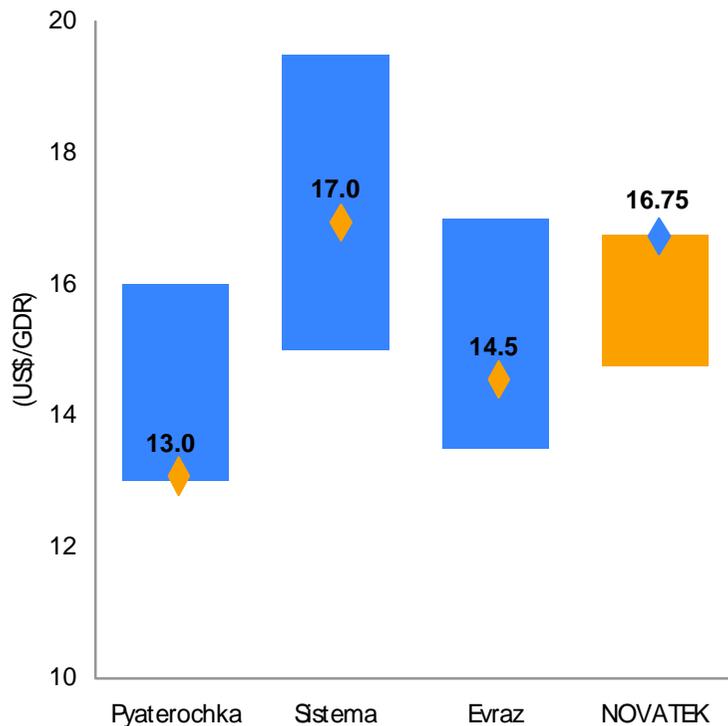
Source: Morgan Stanley



First Russian IPO to price at the top range

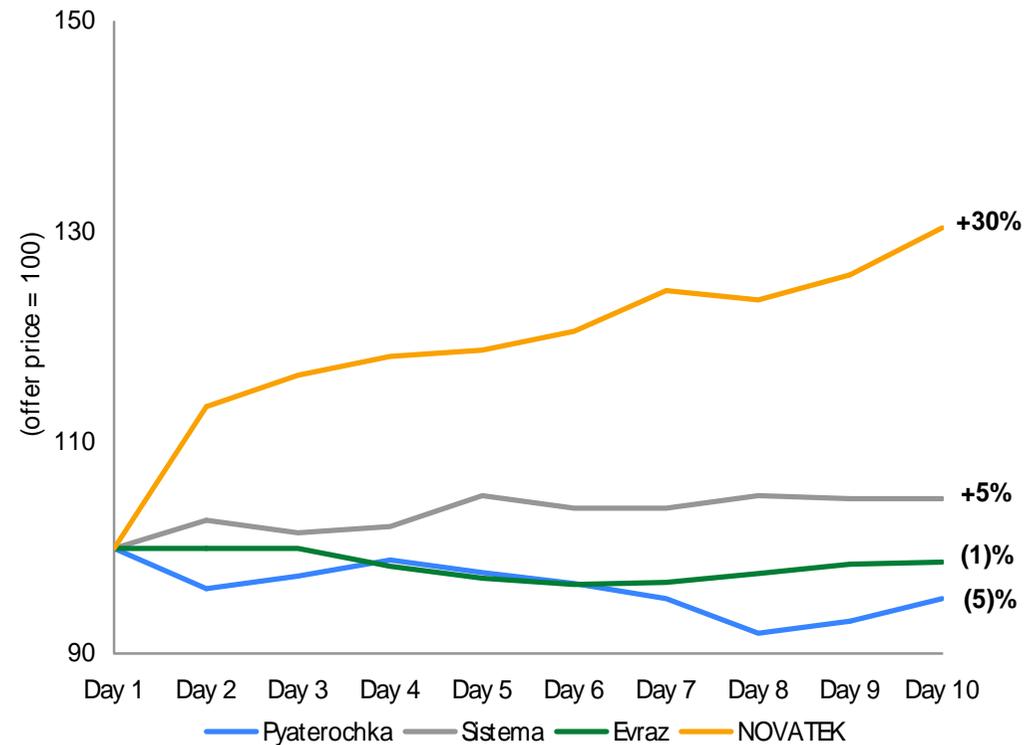
Novatek has demonstrated the strongest performance among recent Russian deals

Price ranges and offers by Russian issuers



Source: Bloomberg, Company data

Post-IPO price performance comparison



Source: Datastream



History of Russian Equity Capital Markets

MSCI Russia Composition Dec 04

Company name	Weighting in index %
LUKOIL	35.3
Surgutneftegaz	16.5
Norilsk Nickel	10.8
Surgutneftegaz (Pref.)	9.3
Gazprom	6.1
UES	5.8
Tatneft	5.0
Sberbank	4.8
Mosenergo	2.1
Rostelecom	1.6
Uralsvyazinform	1.0
Yukos	0.8
Sibirtel	0.7

Source: Morgan Stanley

MSCI Russia Composition Today

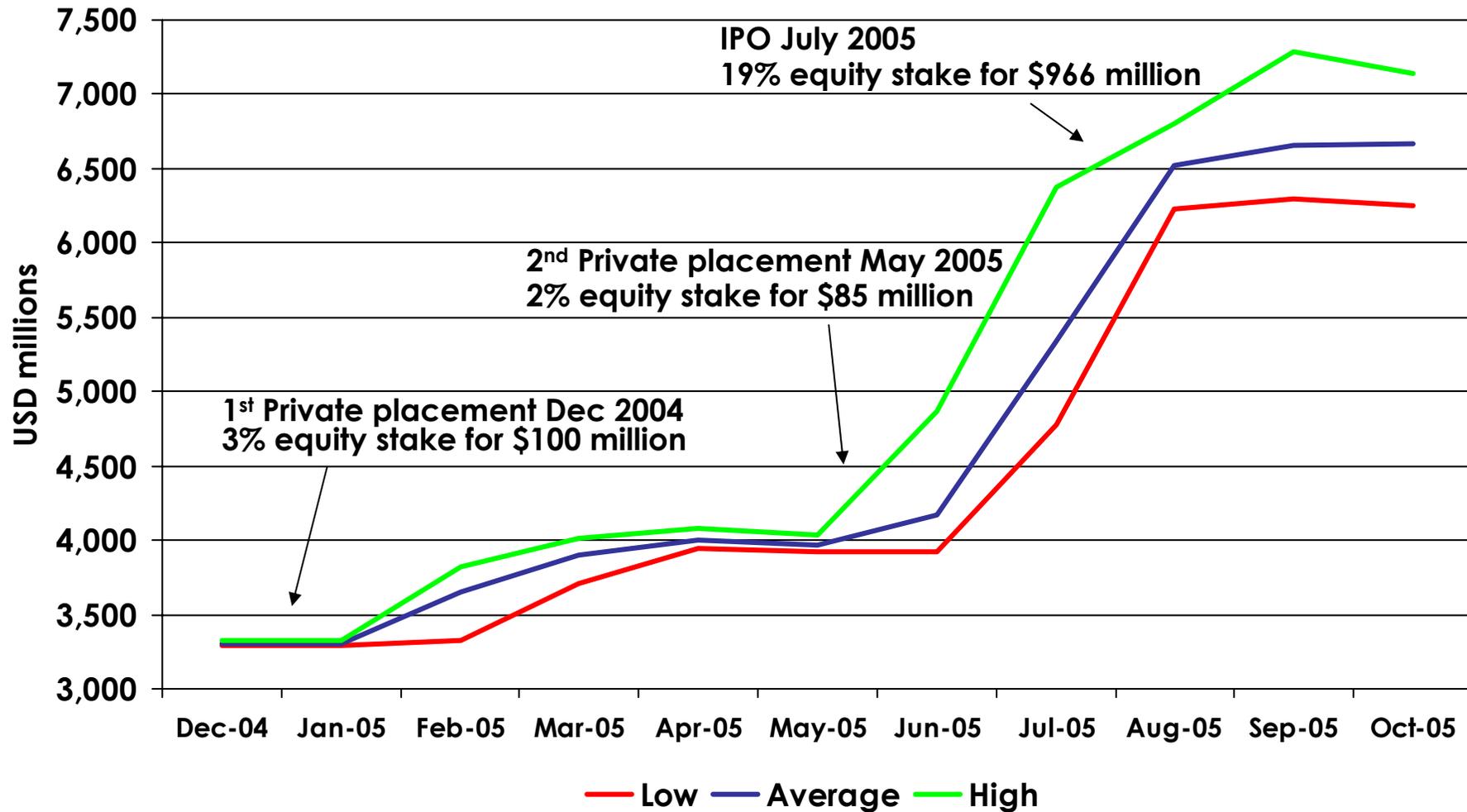
Company name	Weighting in index %
LUKOIL	35.7
Surgutneftegaz	9.5
Norilsk Nickel	7.2
Surgutneftegaz (Pref.)	7.1
Gazprom	5.9
VimpelCom	5.1
MTS	4.9
Tatneft	4.7
Sberbank	4.3
UES	3.8
Transneft	2.9
Sistema	2.7
Novatek	2.2
Mechel	1.2
Rostelecom	1.1
Uralsvyazinvest	0.5
VolgaTel	0.4
Sibirtel	0.4
Wimm-Bill-Dann	0.4

Source: Morgan Stanley



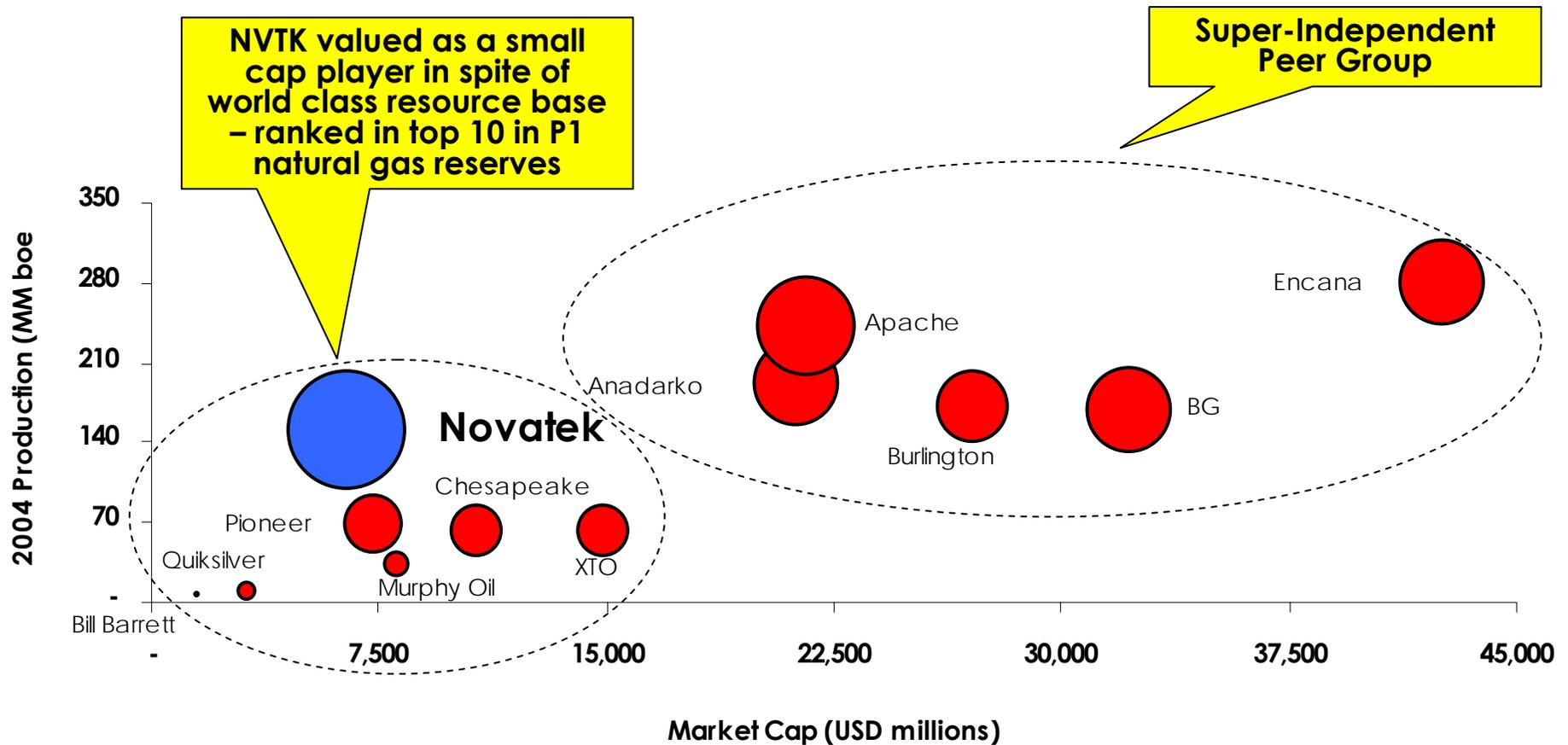
Rewards: Market Validation of Efforts

Novatek Market Capitalization



Value is relative

Current market capitalization relative to 2004 production and reserves



○ = Bubble size is scaled to 2004 P1 reserves on boe basis

Ratio comparison to peers (1H2005)

NVTK	NVTK*	Profitability	AVG	DVN	BR	APC	APA	CHK	XTO	PXD
*Net of O&G disposals				Peer Group						
69%	49%	EBITDA/Revenue	70%	68%	72%	74%	76%	58%	69%	74%
61%	41%	EBIT/Revenue	48%	45%	52%	53%	57%	33%	49%	38%
57%	38%	EBT/Revenue	44%	40%	47%	50%	54%	27%	44%	32%
43%	28%	Net income/Revenue	28%	25%	31%	32%	34%	16%	28%	26%
25%		Taxes/EBT	37%	37%	35%	36%	37%	37%	36%	46%
9%		Depreciation/Revenue	22%	23%	20%	21%	21%	23%	21%	29%
		Profitability per boe								
6.9		O&G Revenue/\$ boe	35.3	34.0	37.3	31.8	39.9	35.9	36.0	31.2
4.9	3.5	EBITDA/\$ boe	26.8	27.6	26.7	23.9	30.4	28.9	25.2	23.1
4.3	2.9	EBIT/\$ boe	18.4	18.5	19.2	17.2	22.6	16.4	17.7	11.8
4.1	2.7	EBT/\$ boe	16.7	16.3	17.6	16.1	21.5	13.7	15.9	10.0
3.1	2.0	Net income/boe	10.7	10.3	11.5	10.3	13.4	8.2	10.2	8.0
.65		Depreciation/boe	8.3	9.4	7.4	6.8	8.2	11.3	7.5	8.9

Novatek's net income retention of 45% of revenue per boe is 15% greater than the peer average of 30%

Ratio comparison to peers (1H2005)

NVTK	NVTK*	Production	AVG	DVN	BR	APC	APA	CHK	XTO	PXD
*Net of O&G disposals				Peer Group						
486		Natural gas (Bcf)	261	423	347	319	233	195	176	130
10		Liquids (Mm bbls)	27	47	29	43	46	4	8	12
92		Boe (Mm)	71	118	87	97	85	37	38	34
		Liquidity ratio								
1.21x		Current ratio	1.24x	1.41x	2.42x	1.26x	.87x	.49x	.86x	.62x
		Long-term liquidity								
20x	14x	EBITDA coverage	16x	12x	17x	23x	29x	11x	14x	12x
35%		Debt/Equity	53%	57%	53%	37%	27%	107%	95%	53%
26%		Debt/(Debt + Equity)	35%	36%	34%	27%	21%	52%	49%	35%

Novatek's efforts to reduce and restructure its debt portfolio have resulted in lower liquidity risk and a stronger balance sheet

Novatek analyst coverage

Coverage by	Analyst	Date	Recommendation	GDR target price
<i>Global</i>				
CSFB	Vadim Mitroshin	Oct 2005	Hold/Neutral	26.00
ING	Ronald Smith	Sep 2005	Hold	24.01
Merrill Lynch	Alexander Gladyshev	Aug 2005	Sell	18.00
Morgan Stanley*	Irene Himona	Jul 2005	none	none
UBS	Kaha Kiknavelidze	Sep 2005	Hold/Neutral2	25.15
<i>Local</i>				
ATON	Steven Dashevsky	Sep 2005	Hold	25.4
Renaissance Capital	Adam Landes	Sep 2005	Hold	20.35
Troika Dialog	Oleg Maximov	Aug 2005	Hold	24.16
United Financial Group	Stephen O'Sullivan	Oct 2005	Outperform	27.71

* Pre-IPO



Forward-looking statements

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.

Questions and answers