

Novatek Sees Value At \$100Bln

By [The Moscow Times](#)

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Novatek, Russia's second-largest natural gas producer, is targeting a market value of \$100 billion to surpass Britain-based gas product peer BG Group, as the Siberian company boosts reserves and production.

"We would love to be valued like BG, as a good comparable valuation, but I am sure BG wishes they were our size and had our dynamics," Mark Jetway, Novatek's chief financial officer, told reporters Friday.

The market value of Novatek has more than doubled in the past two years to 1.22 trillion rubles (\$41 billion), still below £48.2 billion (\$76 billion) for BG, Britain's third-largest gas producer.

Novatek is raising production at existing fields and through acquisitions, expanding processing capacity for exports of oil-like gas condensate and widening its gas distribution network to reach more customers in Russia.

The firm boosted gas reserves by 15 percent and production of the fuel by about 42 percent last year. It plans to double gas production by 2020.

The producer's sales are limited to the domestic market by law, which grants state-controlled Gazprom a monopoly on exports. Novatek plans to supply liquefied natural gas to markets in Europe and Asia from an Arctic project, working through Gazprom on a commission basis.

The company may reach a \$100 billion value "in the near term," given its resources and production, although low domestic prices currently constrain growth, Jetway said. Russia is gradually increasing its prices to reflect European market levels.

"You set a target for yourself, you want to set a goal to reach," Jetway said. "We're going to double the size of our company in five years."

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