

PRESS RELEASE

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Nord Stream signs Letter of Intent with Saipem

Zug, 13 September 2007. Nord Stream has signed a letter of intent with Saipem to install the Nord Stream gas pipeline. During a tender period of nine months, Nord Stream evaluated the bids of three contractors offering offshore pipe laying for the construction of two parallel 48" gas pipelines in the Baltic Sea. Saipem can provide the required resources during the laying period between 2009 and 2012. A detailed contract is expected to be finalised by February 2008.

The Nord Stream natural gas pipeline will run from Vyborg, Russia, to Greifswald, Germany, and link the Russian gas transmission system to the European gas network. It is expected to meet about 25 per cent of Europe's additional import gas demand in 2015. The full transportation capacity of both pipelines is 55 billion cubic metres per year and is foreseen to be reached in 2012.

Two further tenders for logistics and pipe supply shall also be awarded in the coming weeks.

Notes for editors:

Nord Stream is a natural gas pipeline that will link Russia and the European Union via the Baltic Sea. Gas import of the European Union, 336 billion cubic metres in 2005, is projected to grow by 200 billion cubic metres to 536 per year in 2015 (Source: Global Insight, 2007). Connecting the world's biggest gas reserves with the European gas pipeline network, Nord Stream will meet about 25 per cent of that additional requirement. The project will be an important contribution to long-term security of supply and a test of the energy partnership between the European Union and Russia.

Nord Stream AG plans to have the first of two parallel pipelines, approx. 1,200 kilometres long, each with a transport capacity of some 27.5 billion cubic metres per annum, operational in 2010. In the second phase, capacity should double to about 55 billion cubic metres a year.

The pipeline is made up of high-quality steel pipes, whose walls vary in thickness from 41 to 27 mm inline with the pressure drop along the pipeline route. They will be sent to specialised coating yards to be coated internally with anti-friction coating and externally with anticorrosive and weight coating. From inland storage, they will be taken by pipe carrier to a large pipe-laying vessel, where the pipes will be inspected for possible transport damage. In a "double-joint welding station", two 12 m pipe joints will be welded together to form a 24 m "double-joint", with a welding pass from both, the inside and the outside. Defectless welds will be covered with an anti-corrosion coating and the double-joint lowered to the seabed in a continuous line by pulling the lay vessel 24 m forward while keeping the pipeline under tension over the stinger. The pipes are attached with the already completed section, in total approx. 100,000 pipes are welded together. Approx. 3 km of pipeline will be laid per day.



Nord Stream AG is an international joint venture established for the planning, construction and subsequent operation of the new offshore gas pipeline. Gazprom holds a 51 per cent stake in the joint venture. Wintershall and E.ON Ruhrgas hold 24.5 per cent each.

For further information please go to www.nord-stream.com.

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