

PRESS RELEASE

Chancellor Merkel and Heads of Government of Russia, France and the Netherlands to Inaugurate the Nord Stream Pipeline

Zug, November 2, 2011. On Tuesday November 8, Federal Chancellor Angela Merkel – together with President Dmitry Medvedev and the Prime Ministers of France François Fillon and the Netherlands Mark Rutte and EU Energy Commissioner Günther Oettinger – will formally inaugurate the first of Nord Stream's twin 1,224 kilometre gas pipelines through the Baltic Sea. When fully operational in late 2012, Nord Stream's two lines will have the capacity to transport 55 billion cubic metres of Russian gas a year to the EU for at least 50 years.

The heads of government and other political and business leaders will be among 420 guests gathering at Lubmin by the pipeline's landfall for a formal ceremony to celebrate the arrival in Europe of gas through the Nord Stream Pipeline and its entry into the European gas grid. The celebrations will be led by the heads of the four countries whose companies are shareholders in Nord Stream.

Nord Stream AG is providing this key energy infrastructure on schedule and on budget, at no cost to European taxpayers: the consortium's five shareholders are providing 30 percent of the 7.4 billion euro investment, with commercial loans from 26 international banks providing 70 percent.

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Notes to editors

Nord Stream is a natural gas pipeline that links Russia and the European Union through the Baltic Sea. The European Union's annual natural gas imports in the year 2008 were approximately 320 billion cubic metres (bcm) and are projected to increase to over 500 bcm by the year 2030. By then, the EU will need additional gas imports of 188 bcm per year (Source: IEA, 2011). Nord Stream will meet almost one third of this additional gas import requirement by connecting the European gas pipeline network to some of the world's largest gas reserves. The project will be an important contribution to long-term security of supply and a milestone of the energy partnership between the European Union and Russia.



Nord Stream

The new gas supply route for Europe

The first of Nord Stream's two parallel pipelines will become operational in November 2011. Each line is approximately 1,220 kilometres long, providing a transport capacity of some 27.5 bcm per year. More than 65 percent of Line 2 has also already been laid. Full capacity of about 55 bcm per year will be reached when the second line goes on stream in late 2012. This is enough gas to supply more than 26 million European households.

Nord Stream AG is an international joint venture established for the planning, construction and subsequent operation of the new offshore gas pipeline through the Baltic Sea. Russian OAO Gazprom holds a 51 percent stake in the joint venture. The German companies BASF SE/Wintershall Holding GmbH and E.ON Ruhrgas AG hold 15.5 percent each, and the Dutch gas infrastructure company N.V. Nederlandse Gasunie and the French energy company GDF SUEZ S.A. each hold a 9 percent stake.

Construction of the Nord Stream Pipeline started in April 2010, after completion of environmental studies and planning and an Environmental Impact Assessment (EIA) along the entire pipeline route. Three pipelay barges have been commissioned to work on the project: Saipem's Castoro Sei is carrying out the majority of the construction in the Baltic Sea. The Castoro Dieci has completed its operations in German waters, where it constructed both pipelines in the German landfall section; Allseas' Solitaire handled construction in the Gulf of Finland as a subcontractor of Saipem. The first pipeline will become operational in November 2011, the second one is scheduled to become operational in 2012.

In 2010, Nord Stream invested 13 million euros in its Environmental and Social Monitoring Programme (ESMP). More than 20 specialist companies are conducting the surveys defined in the ESMPs, to determine just how, and if, the Baltic Sea's flora and fauna have been impacted by the construction of the Nord Stream pipelines. Data from sixteen subjects, including water quality, bird, fish and mammal populations, as well as seabed recovery, are collected from approximately 1,000 survey locations along the route in the waters of Russia, Finland, Sweden, Denmark and Germany. These data are analysed in internationally recognised laboratories, and Nord Stream reports the results to the national environmental authorities in each country. Nord Stream plans to invest approximately 40 million euros into its ESMP to monitor any impact of the construction and operation of the pipelines through 2016.