

PRESS RELEASE

Results of Environmental Monitoring in Russia Presented to Finnish Authorities

- Nord Stream report for 2012 summarizes monitoring results collected during the entire construction period in Russia
- Environmental impact of construction and operation of the pipeline is minor, local and short-term only

Moscow, January 11, 2013. Subject to the Memorandum of Understanding between the Russian Federation Ministry of Natural Resources and Ecology and Ministry of the Environment of the Republic of Finland, the Finnish authorities received the report on environmental monitoring for 2012 along the Nord Stream route in Russian waters

The report prepared by Nord Stream AG includes monitoring results for the previous year and contains comparative analysis of environmental parameters before and after commencing the construction activities. As expected, the environmental monitoring data 2012 confirm the results of the two previous years: in general there was no environmental impact, if there was an impact, it was minor, local and short-term only. These results were achieved thanks to effective mitigation measures developed and successfully implemented by Nord Stream in cooperation with the responsible authorities.

The report contains data on water quality and seabed sediments, geological environment and aquatic flora and fauna, as well as satellite data on turbidity, assessment of thermal impact of the gas pipeline operation, as well as potential transboundary impact assessment. The detailed analysis of the survey data allows the following conclusions:

- During the entire construction period and the starting phase of operations no significant impact on the Gulf of Finland aquatic environment was observed. In 2012, impact on the Gulf of Finland hydrochemical parameters was short-term. Major physical and chemical concentrations were within the standard limits. Sanitary and bacteriological parameters of the sea waters comply with the standard norms defined in the Russian legislation.
- After construction, the seabed sediments in Portovaya Bay correspond to Class 0 of the Saint Petersburg regional standard (pure class, concentration of pollutants lies below the target value). The averaged concentrations of metals in bottom sediments are 7-50 times lesser of target values, which allows to conclude that

Grafenauweg 2 6304 Zug, Switzerland Tel.: +41 41 766 91 91 Fax: +41 41 766 91 92 www.nord-stream.com Moscow Branch ul. Znamenka 7, bld 3 119019 Moscow, Russia Tel. +7 495 229 65 85 Fax. +7 495 229 65 80



these are pure/clear sediments subject to the standard specified above.

- Based on the satellite monitoring data collected during construction and the starting phase of operation it can be concluded that no alteration of water turbidity, surface temperature, bloom and color was observed in the eastern sector of Gulf of Finland in 2012.
- Based on hydrographic survey data, already in 2010 the seabed levels after pipe-laying and backfilling in Portovaya Bay were close to the initial levels. Minor differences of the seabed topography are leveled by natural phenomena (storms, currents).
- Rare and protected bird fauna species are not impacted by the pipeline construction. During 2012 surveys a total of 43 species of hydrophilic birds were found, among which 24 nesting and 19 migrating; 21 species are listed in the Red Book.
- Satellite monitoring data collected during the entire period of construction in Russia shows no transboundary impacts of construction of both the deep water and near-shore pipeline sections in Portovaya Bay.

The survey results show that the environmental impacts of construction and operation are below the estimated values.

Deputy Minister of Natural Resources and Ecology of the Russian Federation Rinat Gizatulin said: "The most important overall result of environmental monitoring for 2010 - 2012 is that there is no significant impact of construction of the Nord Stream offshore section (Russian sector) on various components of the Baltic Sea environment. The regular construction monitoring system revealed no negative impact on the aquatic environment of the Gulf of Finland and Portovaya Bay. Higher maximum allowable concentrations of some parameters are due to natural phenomena and general technogenic situation in the eastern part of the Gulf of Finland."

Bruno Haelg, Nord Stream Environmental Management Officer noted: "One of our key achievements during construction of the Nord Stream gas pipeline in Russian waters was compliance with applicable international standards, as well as Russian environmental legislation. We are proud to say that the results of the environmental monitoring satisfy and even exceed our expectations. The impacts caused by the construction of the project turned out to be at lower than the expected levels. We have collected valuable survey data that will contribute to further research and protection of the Baltic Sea."

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Full text of the Environmental Monitoring Report 2012 for the Russian section of the Nord Stream pipeline is available <u>here</u> (in Russian).

For more information, please contact:

Irina Vasilyeva, Head of Public Relations, Mobile: +41 79 239 53 39

Natalia Vorontsova, Communications Manager,

Mobile: +7 916 815 7170

Email: press@nord-stream.com

Notes to editors

Nord Stream AG is an international joint venture established for the planning, construction and subsequent operation of the twin offshore gas pipelines through the Baltic Sea. Russian OAO Gazprom holds a 51 per cent stake in the joint venture. The German companies BASF SE/Wintershall Holding GmbH and E.ON Ruhrgas AG hold 15.5 per cent each, and the Dutch gas infrastructure company N.V. Nederlandse Gasunie and the French energy company GDF SUEZ S.A. each hold a 9 per cent stake. Nord Stream's head office and operations centre are both in Zug, Switzerland.

Nord Stream's natural gas pipelines through the Baltic Sea have the capacity to transport 55 billion cubic metres (bcm) of Russian gas a year to the EU, for at least 50 years. Both lines run in parallel for 1,224 kilometres from Portovaya Bay, near Vyborg on the Russian Baltic Sea coast to Lubmin, Germany. Each pipeline comprises some 100,000 24-tonne concrete-weight-coated steel pipes laid on the seabed along the precise route approved by the authorities of the five countries through whose waters the pipelines now pass. Construction of the first Nord Stream Pipeline started in April 2010, and both lines were completed and on-stream in October 2012, on schedule and on budget.

Natural gas plays an increasingly important role in Europe's energy mix at a time when gas production in the EU is declining. Gas import requirements are projected to increase from 302 bcm in 2011 to 524 bcm by 2035. By then the EU will need additional gas imports of 222 bcm per year. (Source: IEA 2012.) Nord Stream will meet about a quarter of this additional gas import requirement by connecting the European gas pipeline network to some of the world's largest gas reserves.

Nord Stream is committed to safety and the environment: the consortium invested 100 million euros in the most comprehensive research of the Baltic Sea ever in planning the pipeline. The consortium consulted widely to ensure that the design, routing, construction and operation of the pipeline will be safe and environmentally sound. Through 2016, Nord Stream is investing a further 40 million euros in comprehensive environmental monitoring along its route through the Baltic Sea to guarantee that the environment is not adversely affected.

Nord Stream is included in the Trans-European Energy Network Guidelines (TEN-E) of the European Union. In 2006, the project was designated a "project of European interest" by the European Commission, the European Parliament and the Council of the European Union. Nord Stream is, therefore, recognised as a key project for meeting Europe's energy infrastructure needs.

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