

## FACT SHEET

October 2017

# The Nord Stream Pipeline Project

### Project Details

- Offshore pipeline through the Baltic Sea from Portovaya Bay near Vyborg (Russia) to Lubmin near Greifswald (Germany)
- Length: 1,224 kilometres; two parallel lines on the seabed
- Total capacity: 55 bcm of natural gas per year (27.5 bcm per line)
- Nominal diameter: 1,220 millimetres (48 inches) for each line; constant internal diameter: 1,153 millimetres

### Shareholders

- OAO Gazprom (Russia, 51 percent), PEG Infrastruktur AG (PEGI/E.ON subsidiary, Germany, 15.5 percent), BASF SE/Wintershall Holding GmbH (Germany, 15.5 percent), N.V. Nederlandse Gasunie (Netherlands, 9 percent), ENGIE (France, 9 percent)

### Shareholder Committee

- Alexei Miller, Deputy Chairman of the Board of Directors and Chairman of the Management Committee of OAO Gazprom
- Alexander Medvedev, Deputy Chairman of the Management Committee of OAO Gazprom
- Nikolay Dubik, Member of the Management Committee and Head of Legal Department of OAO Gazprom
- Oleg Aksyutin, Member of the Management Committee, Head of the Gas Transportation, Underground Storage and Utilization Department of Gazprom
- Gerhard Schröder, Chairman of the Shareholders' Committee and former Chancellor of the Federal Republic of Germany
- Dr. Hans-Ulrich Engel, Member of the Board of Executive Directors of BASF SE
- Mario Mehren, Chairman of the Board of Directors of Wintershall Holding GmbH
- Christopher Delbrück, Chief Financial Officer of Uniper SE (PEGI)
- Klaus Schäfer, Chief Executive Officer of Uniper SE (PEGI)
- Han Fennema, Chairman of the Executive Board, CEO of N.V. Nederlandse Gasunie
- Isabelle Kocher, Chief Executive Officer of Engie

### Budget and Financing

- Total investment budget: 7.4 billion euros
- 30 percent equity contributions from shareholders
- 70 percent project financing from the bank market

### Timeline

- 1997-1999: Feasibility study by a Finnish-Russian joint venture
- 2005-2008: Technical design and environmental surveys
- 2008-2009: Submission of national permit applications for construction and operation and materials for the Environmental Impact Assessments (EIAs)
- March 2009: Submission of transboundary environmental report ('Espoo Report')
- October 2009 – February 2010: Danish, Swedish, Finnish, Russian and German

- authorities grant the permits required for constructing the pipeline in their waters
- March 2010: Nord Stream completes Phase I financing for 3.9 billion euros
  - April 2010: Start of pipe laying
  - March 2011: Nord Stream completes Phase II financing for 2.5 billion euros
  - May 2011: Line 1 pipe laying completed, start of pipe laying Line 2
  - November 2011: Start of operations of Line 1
  - April 2012: Line 2 pipe laying completed
  - October 2012: Start of operations of Line 2; Nord Stream AG as operating company is responsible for the transport of gas
  - Summer 2013: First internal inspection completed, it confirms the high standards of pipe laying and integrity of the pipelines
  - October 2015: Nord Stream has transported 100 billion cubic metres of Russian natural gas to the European Union

### **Project Significance**

- Natural gas is considered a bridge to the age of renewable power. Gas-fired power plants produce about 50 percent less CO<sub>2</sub> than coal-fired power plants.
- The EU's annual demand for natural gas imports, which was approximately 307 billion cubic meters (bcm) in 2011, will increase by a further 149 bcm by 2040 (source: IEA World Energy Outlook 2014).
- By connecting the largest gas reserves in the world with the European gas transmission system, the Nord Stream Pipeline will meet about a third of this additional import demand.
- 55 bcm of natural gas would be enough energy to supply more than 26 million households per year. 55 bcm is equivalent to the amount of energy transported by 600-700 LNG tankers or produced by 148,000 wind turbines.
- In 2006, the European Commission, European Parliament and the Council of Europe designated Nord Stream a "project of European interest" under their Trans-European Network-Energy (TEN-E) guidelines.

### **Offshore Advantages**

- More than 50 years of experience show that offshore pipelines are among the safest means of natural gas transportation.
- A typical pipelay vessel operates with a speed of around 2.5 kilometres per day. Therefore, offshore pipe laying is much faster than the construction of an equivalent onshore pipeline.
- The total cost for Nord Stream will be some 15 percent lower over 25 years compared to an onshore pipeline which would require several interim compressor stations leading to additional operational and maintenance costs.

### **Environmental Impact Assessments and Monitoring**

- The Environmental Impact Assessments (EIAs) identified, predicted and evaluated ways to mitigate the project's impact on the bio-physical and social environment.
- Nord Stream invested more than 100 million euros in detailed environmental studies and project planning to assess and subsequently minimise environmental impact. More than 40,000 kilometres of geophysical surveys were conducted, with thousands of objects on the seabed inspected.
- Nord Stream has developed an environmental and social monitoring programme (ESMP) aimed at managing the potential impact of the construction and operation of the pipelines. Monitoring activities include surveys of the physical, chemical, biological and socio-economic environment.
- More than 20 companies are contracted to conduct the surveys defined in the

ESMP. Until 2016, a total of 40 million euros will be invested in the monitoring activities.

- Data covering 16 subject areas are collected from approximately 1,000 survey locations along the route, analysed in internationally recognised laboratories, and the results are reported to the national environmental authorities in each country.

#### **Permitting and International Consultation Process**

- Nord Stream passes through the territorial waters and/or Exclusive Economic Zones of Russia, Finland, Sweden, Denmark and Germany. Permits to construct and operate the pipeline are required from each of these five countries.
- Nord Stream is subject to the UNECE Convention on EIA in a Transboundary Context: The Espoo Convention requires the “Parties of Origin” (Russia, Finland, Sweden, Denmark and Germany) to consider whether the project could potentially affect them and the four other Baltic Sea states (Estonia, Latvia, Lithuania and Poland). Therefore, Nord Stream provided the Baltic Sea countries with the transboundary environmental report (Espoo Report).
- International consultations according to the Espoo Convention have been officially completed with reciprocal information about the individual permitting decisions of each authority of the Parties of Origin.

More information at [www.nord-stream.com](http://www.nord-stream.com)

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