



# FACTS

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FACTS ABOUT THE NATURAL GAS PIPELINE ACROSS THE BALTIC SEA

## NORD STREAM GOES AHEAD WITH ENVIRONMENTAL ASSESSMENT

The first stage of the international consultation in accordance with the Espoo Convention for the pipeline project across the Baltic Sea has been finalised.

Since the official announcement of the project in November 2006, Nord Stream AG as developer has received 129 statements relating to the project from authorities, associations or private bodies from countries in the Baltic Region (Denmark 5, Estonia 12, Finland 50, Germany 29, Latvia 1, Lithuania 1, Poland 1, Russia 1, and Sweden 29).

The comments focus on key issues discussed in public hearings and meetings with authorities and organisations over recent months. The issues raised relate to the impacts on the seabed, on commercial fisheries, and the impact of dumped and residual munitions. These topics have been investigated for several years by Nord Stream and its shareholders. The statements will be included in the supplementary and concluding work on the Environmental Impact Assessment (EIA) to be submitted in autumn 2007. The integration of statements from the countries in this stage of the project preparation will ensure and facilitate an optimum decision-making process.



*Ferran Tarradellas Espuny,  
Spokesman of Andris  
Piebalgs, European  
Commissioner for Energy  
(Quoted according to RIA  
Novosti, 2 April 2007)*

**“As soon as the current environmental investigation is finished we will be able to judge whether there are any ecological hazards. This infrastructure will only be endorsed if all necessary standards for retaining the ecological system of the Baltic Sea are kept.”**



*Matthias Warnig,  
Nord Stream AG  
Managing Director,  
21 March 2007*

**“We will consider all comments during the environmental impact assessment and find solutions to any reasonable issues that countries bring up.”**

The further preparation and structure of the EIA documentation has been discussed at a meeting with official representatives of Denmark, Finland, Germany, Russia and Sweden (“Parties of Origin”) on 20-21 March 2007 in Stockholm. The participants agreed that a transboundary EIA report should describe the impact of the total project through the whole Baltic Sea. This report will be the base for the second stage of international consultations and will be a part of national permitting procedures.

The Espoo Convention stipulates the obligations of Parties to assess the environmental impact of certain activities at an early stage of planning. It also lays down the general obligation of states to notify and consult each other on all major projects under consideration that are likely to have a significant adverse environmental impact across boundaries. The Espoo Convention was opened for signature in Espoo (Finland) on 25 February 1991 and came into force on 10 September 1997. Nord Stream started its consultation process under the Espoo Convention with the notification of the project in November 2006.

For further information about the environmental assessment activities in the coming months go to: [www.nord-stream.com/eng/news/page1/issue38/](http://www.nord-stream.com/eng/news/page1/issue38/)



## STRATEGY FOR THE HANDLING OF MUNITION FINDS DEVELOPED



*Nord Stream has identified all pieces of metal on the seabed along the route, from old munition to washing machines and shopping trolleys.*

The route of the Nord Stream pipeline has been planned in such a way that it does not cross the known munition dump sites. Moreover, Nord Stream has – through surveys commissioned by Gazprom in 2005-2006 – investigated the pipeline route for munitions. More detailed investigations will be conducted this year to confirm features of the seabed, including areas where the pipeline route may be realigned.

### Nord Stream AG's strategy towards munitions finds is:

- Notification of the relevant authorities
- Re-routing of the pipeline to avoid interaction, whenever possible
- Detailed investigation of potential finds if re-routing is not possible; await authority instructions and clearance

Nord Stream AG will report all munitions finds to the responsible national authorities (i.e. Ministry of Defence and its institutions), who will arrange and supervise munitions clearance.

The survey will comprise detailed munitions' screening for the pipeline route corridors encroaching on the two known dump sites for chemical munitions: i.e. east of Bornholm and south-east of Gotland; a detailed munitions screening in sections where re-routing has been proposed.

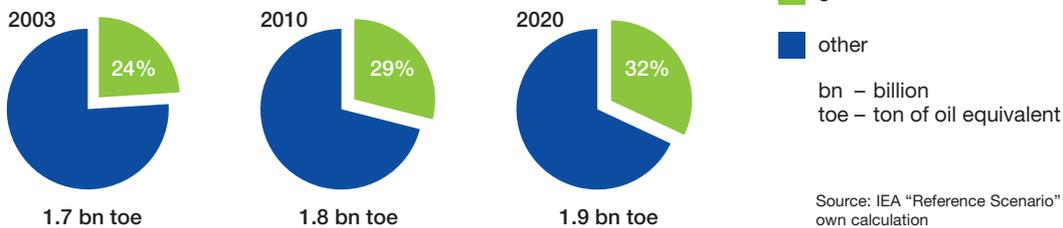
Depending on the time schedule for obtaining survey permits from the respective authorities, the survey, to be conducted in May-August 2007, will entail a three-stage approach:

- The first survey of the seabed will cover a corridor width of 2 x 30 m (measured from the track line of the survey vessel) using a multibeam echo sounder (MBES), a high-resolution side scan sonar (SSS), and sub-bottom profiler.
- During the second stage of the survey an array of magnetometers with high-frequency sampling rate and electromagnetic induction sensors (metal detectors) will be fitted to a specially made frame which will be towed at a constant height just above the seabed (e.g. 5 m) at slow speed (1-2 knots). Readings of magnetic gradients will be used as guidance to identify targets that need further inspection during stage three.
- Targets that are identified as "interesting" – resembling munitions – will be subjected to further detailed investigation with ROV equipped with scanning sonar, pipetracker and video.

## EUROPEAN UNION REAFFIRMED THE SUPPORT OF NORD STREAM



### Primary energy consumption in Europe



The natural gas pipeline project through the Baltic Sea has been listed in the annex of the Priority Interconnection Plan published on 10 January 2007 by the EU Commission following the Guidelines for Trans-European Energy Networks (TEN-E) from September 2006. The Priority Interconnection Plan is part of the energy package discussed by the Council during its meeting on 8/9 March 2007.

In response to questions concerning the Baltic Sea pipeline raised by the Swedish MEP Nils Lundgren, the Commission pointed out on 15 March 2007 that the project contributes to one of the main targets of the European energy policy – the security of gas supplies to the EU: "The proposed project would be a new supply route of particular importance to

Germany, Denmark, the United Kingdom and other EU member states."

In February 2007, Nord Stream held meetings with representatives of the European Commission and the European Parliament in Brussels to discuss the planned natural gas pipeline aimed at securing Europe's future energy supply. Gerhard Schröder, Chairman of Nord Stream's Shareholders' Committee, and Matthias Warnig, Managing Director, met among others with the European Commissioner for Energy, Andris Piebalgs and the Vice-President of the European Commission and Commissioner for Enterprise and Industry, Günter Verheugen. They underlined the major significance of the project and its progress.

## LEADING ENGINEERING COMPANY TO PREPARE DETAILED DESIGN



Nord Stream has chosen Snamprogetti, a leading engineering company based in Italy, for detailed design engineering of the future gas pipeline. Snamprogetti was selected after an international tender procedure with participants from various countries.

In the framework of the contract with Nord Stream, Snamprogetti will produce detailed designs of the pipeline and will prepare, among other things, hydraulic and thermal analyses, pipeline strength and stability analyses, service platform design, crossings design as well as landfall and shore approach design.

Snamprogetti operates as an international contractor in the design and implementation of large-scale oil and gas projects. Snamprogetti has developed unique expertise in the offshore pipeline industry, carrying out a large number of successful projects as engineering contractor, totalling more than 21,000 km, including under deep seas, with rough sea bottoms and difficult environmental conditions.

The choice of Snamprogetti underlines once more the pan-European contribution to Nord Stream.



## SOLID FINANCING

As the shareholders of the Nord Stream AG (OAO Gazprom, Wintershall AG/BASF AG and E.ON Ruhrgas AG/E.ON AG) are leading European companies of very sound financial standing, the project's financing is secured in every respect.

It is estimated that investment in the project will be at least EUR 5 billion. Financing of the project will be structured with approximately 30% of equity financing by the shareholders, and with 70% external financing. The shareholders will provide financing

proportionate to their stakes in the project.

External financing is planned in the form of project finance/limited recourse finance. International experts are not expecting any problems with attracting financing in the market. Lender institutions will be determined within a year. Currently the framework of bank participation is being prepared. There will also be talks with the European Investment Bank, but up to this point Nord Stream AG has not held any discussions with individual banks.

### Pipeline Technology Conference

As part of Hannover Messe, the International Pipeline Technology Conference 2007 was opened on 16 April 2007 with a Special Session about Nord Stream. Gerhard Schröder, Chair of the Nord Stream Shareholders' Committee, Matthias Warnig, Managing Director, and Dr. Werner Rott, Deputy Technical Director, addressed political, ecological, economical and technical issues of the planned natural gas pipeline across the Baltic Sea in their

lectures. Matthias Warnig stressed the advantages of offshore pipelines compared to onshore solutions. In his remarks, he demonstrated the long-term economic efficiency of an offshore pipeline from Russia to Europe compared to an onshore alternative. Due to lower operational costs Nord Stream will save about 15% of the expenses to implement and run an onshore alternative in the first 25 years.



## NORD STREAM'S AGENDA

- April 16-20** Leading Trade Fair for Pipeline Technologies and Systems in Hannover, Germany – Nord Stream stand: Hall 27, Stand J 14
- April 23** Presentation of Nord Stream at "Baltischer Dialog", Berlin
- April 26** Presentation of Nord Stream at the Annual Spring Meeting of the Finnish National Gas Association, Helsinki
- June 25** Baltic Sea Convention in Visby, Sweden

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If you have any comments or requests, we are looking forward to hearing from you.



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