

FACTS

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FACTS ABOUT THE NATURAL GAS PIPELINE ACROSS THE BALTIC SEA

DIALOGUE CONTINUES IN INTERNATIONAL CONSULTATION PROCESS

PLANS FOR ROUTE OPTIMISATION NORTH OF BORNHOLM PRESENTED

A regular meeting with the international working group for the Environmental Impact Assessment (EIA) of all Baltic Sea countries was held in Berlin on 21-22 August 2007. The meeting was part of the Espoo procedure for the Nord Stream project.

Nord Stream presented the current state of the project in respect of the intended outline, contents and schedule of the EIA report, the status of research for the EIA and the accompanying communications strategy.

Furthermore, Nord Stream informed about the decision to optimise the pipeline to run north - rather than south - of the Danish island of Bornholm. The decision - which will add about 8 kilometres to the pipeline's total length - follows further research into environmental and legal issues. Besides these studies, meetings with Danish and German authorities were held to discuss the matter.

Studies indicate that a more northerly route, which will stay even further away from the known munitions dump sites south of Bornholm, will minimise any environmental impact and will also rule out the possibility of delay due to legal uncertainties with regard to the unsettled sea border south of Bornholm.

In September 2007, Nord Stream will inform all relevant authorities about the details of the route north of Bornholm and investigations into possible route optimisation in the Gulf of Finland and further south of Gotland. The route optimisation activities and the next steps in the Espoo process will be discussed in a further meeting with the international representatives in October 2007. The EIA report will be presented to the authorities of all countries involved and will be made available for public scrutiny.

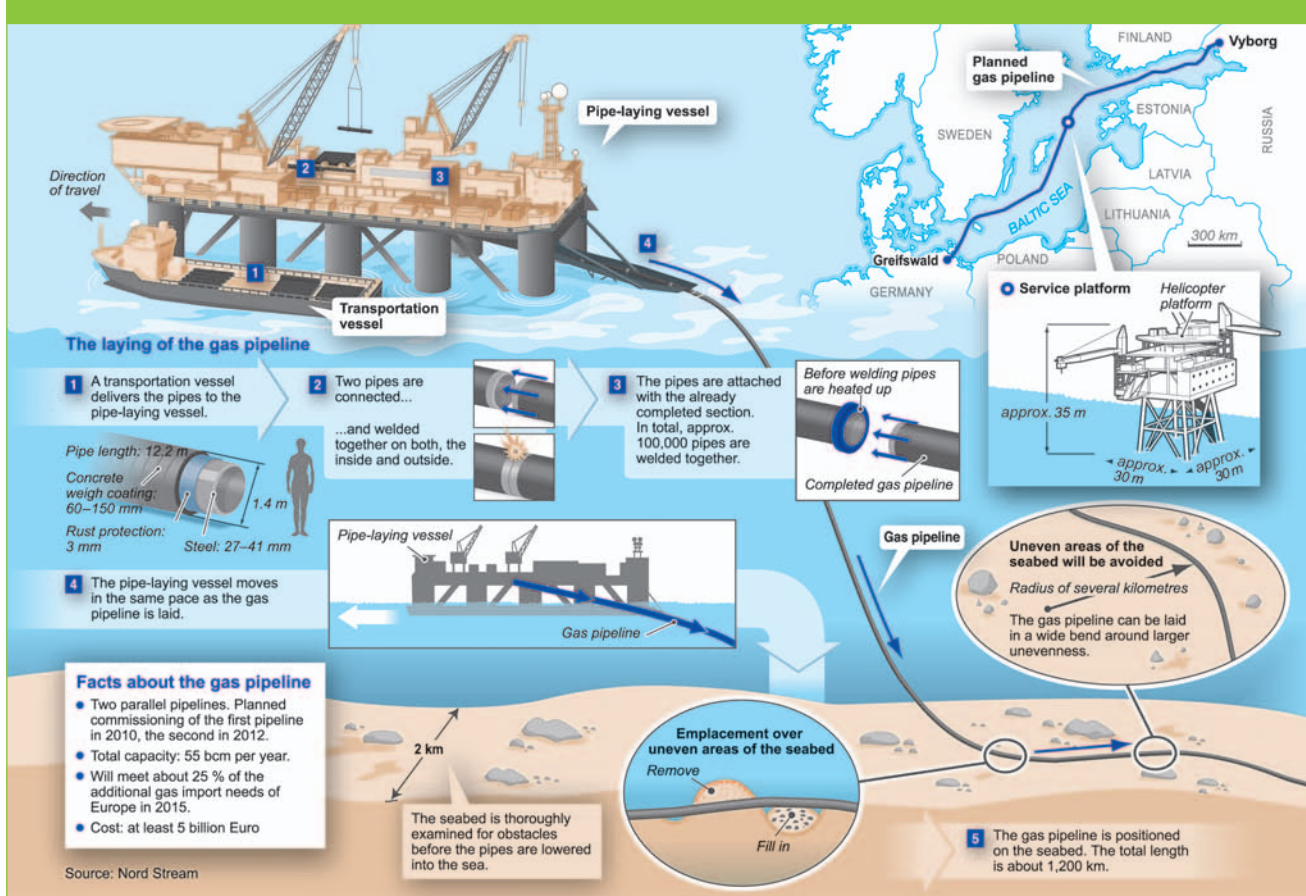
The Espoo Convention sets out the obligations of Parties to assess the environmental impact of certain activities at an early stage of planning.



ALL COMMENTS AFTER INTERNATIONAL CONSULTATIONS PUBLISHED ONLINE

As part of its commitment to transparency, Nord Stream has published on its corporate website all 129 comments received in the framework of international consultations. Since November 2006, when Nord Stream officially notified all relevant authorities of its plans to build the pipeline, the company has received statements from private and public bodies in the Baltic Sea countries. The publication of all comments enables involved organisations and interested citizens to obtain a complete picture of the ongoing consultations. Furthermore, Nord Stream has relaunched its corporate website, integrating more features and news.

The comments received can be viewed at: www.nord-stream.com/international_consultations.html.



THE PIPE-LAYING PROCESS

Nord Stream's plans for laying its Baltic Sea pipeline are based on extensive international experience in offshore pipeline construction. The infographic above sets out the key steps.

The pipeline is made up of high-quality steel pipes, whose walls vary in thickness from 27 to 41 mm as the pressure drops along the route. They will be sent to specialised coating yards to be coated internally with anti-friction coating and externally with anti-corrosive 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

inside and outside. Upon completion, the weld will be inspected by ultrasonic testing to identify possible welding defects. 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.

More than 3 km of pipeline will be laid per day. For most of the offshore route, the pipeline will rest on the seabed. In some areas near the landfalls, or where there is heavy ship traffic, it will need to be buried and backfilled with sand to ensure adequate stability and to protect it from waves, currents and ship anchor impacts.

For further information about the pipe-laying process, please visit: www.nord-stream.com/pipe-laying.html.

NORD STREAM SUPPORTS ECOLOGICAL AND CULTURAL PROJECTS IN THE BALTIC SEA REGION

Nord Stream takes corporate social responsibility in several fields. Underlining its commitment to the protection of the marine environment of the Baltic Sea, the company will fund a three-year research project on interactions between seabed, water birds and man in a changing Baltic Sea environment. The project, undertaken by the Department of Biology at Gotland University and the Institute for Applied Ecology in Rostock, will focus on the biodiversity of shallow water areas east of Gotland, on Hoburgs Bank south of Gotland and in the Pomeranian Bight.

In the field of culture, Nord Stream is supporting a

detailed survey of old shipwrecks on the Baltic seabed near the island of Gotland. This marine archaeology project is an initiative of the Swedish marine archaeology company AquaArkeologen with support from the County Administration Board, the County Museum of Gotland and Gotland's Havsgille. The project has been launched to research, document and salvage Gotland's vast and invaluable maritime heritage.

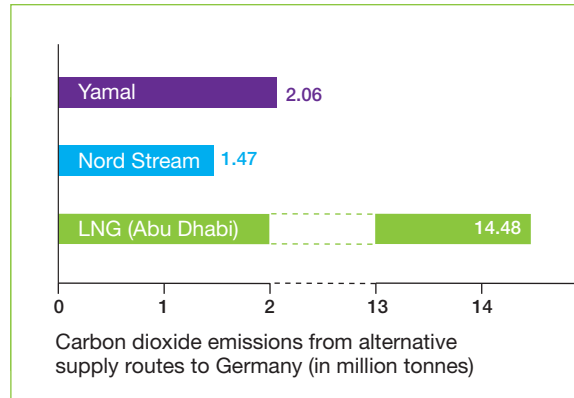
For more information, please go to: www.nord-stream.com/csr.html.

OFFSHORE PIPELINE IS BEST FOR THE CLIMATE

Renowned research institute Global Insight has compared the carbon dioxide emissions of Nord Stream as an offshore gas supply route with the Yamal onshore pipeline connecting Russia and Central Europe and with the alternative option of LNG transport via tanker. Nord Stream's emissions will be lower than Yamal, which requires 13 compressor stations to transmit the gas. Nord Stream will need no compressor stations at all along its offshore route, while the Russian onshore connecting pipeline needs only six compressor stations.

According to Global Insight, own use and losses along the LNG chain are three to four times the level of emission from piped gas exports. While natural gas has the lowest carbon emissions of all fossil fuels, an offshore route like Nord Stream has the

lowest emissions of all three reviewed supply options, and therefore makes a positive contribution to climate protection.

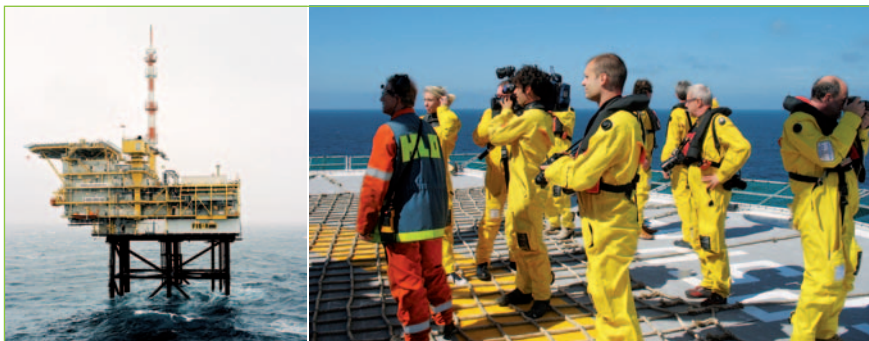


NORD STREAM TO FILL THE INCREASING BRITISH GAS IMPORT NEEDS

British Gas and UK energy analysts now believe that the United Kingdom may need to import fully 50% of its natural gas needs by 2009. Currently, British fields supply some 80 to 85% of UK consumption. With North Sea output dwindling rapidly with demand continuing to grow, British Gas believes imports could rise to 90% of UK consumption by 2020, with Russia supplying between 10% and 25% of those needs. The Nord Stream pipeline will play a key role in meeting British gas needs.

POTENTIAL CONTRIBUTION TO POLAND'S SECURITY OF SUPPLY

European energy provider WINGAS has offered to link the Polish natural gas pipeline system onshore to the West European system. By connecting Poland to the OPAL pipeline (which will link Nord Stream with the German gas network), the country could contract natural gas from both Russia and the North Sea region. Links could be built at several locations, as the OPAL pipeline will run for 480 km along the German-Polish border. Such a connection would help Warsaw to diversify gas sources as well as supply routes.



Left: A comparable Wintershall platform in the North Sea; Right: During a press trip, various aspects of the planned service platform were explained to Swedish journalists.

PLANNED SERVICE PLATFORM WILL NOT BE VISIBLE FROM LAND

Concerns that a planned Nord Stream service platform would be “a blot on the seascape” have proved unfounded. The platform, an integral part of the pipeline system providing facilities for maintenance and safe operation, will not be visible from land. The platform will be located about 48 km east of the small island of Gotska Sandön and 68 km northeast of the main island of Gotland. Due to the curvature of the earth, even the tip of the platform vent stack will be

invisible at any distance over 31 km.

In July, Swedish journalists were taken on a press trip to a comparable service platform in the North Sea, for a comprehensive background briefing with details explained by platform specialists.

For more information, please visit: www.nord-stream.com/press_events.html.

PUBLIC INFORMATION EVENTS ON GOTLAND, SWEDEN



Nord Stream sponsored the concert by the Baltic Youth Orchestra at the Baltic Sea Convention.

Nord Stream has taken part in a number of public information events in Visby, the capital of the Swedish island of Gotland, designed to prompt discussion about the latest developments of the project. The Nord Stream pipeline will run about 60 km from the island of Gotland. Representatives from all Baltic Sea countries gathered in Visby on 24-29 June 2007 for the first Baltic Sea Convention, providing an opportunity for Nord Stream to demonstrate its

responsible approach to the social and ecological impacts of its transboundary pipeline project. One of the highlights was a classical music concert given by the Baltic Youth Orchestra, which brought together young musicians from different Baltic countries to play for the Convention delegates and the Gotlanders. The performance was sponsored by Nord Stream.

“Almedalen” week in Visby, held from 8-14 July 2007, is an annual open-air forum at which Swedish politicians of all parties traditionally give speeches and exchange ideas. Nord Stream made a major contribution this year, staging a centrally located exhibition, mix-and-mingle meetings and two seminars for the media and public. They focused on issues of pipeline safety, risk minimisation, the role of gas in coping with climate change, and economic and social benefits that the pipeline project offers for Gotland. Nord Stream also took part in a seminar held by the Baltic Sea Commission on 10 July 2007.

For more details about these events, please go to: www.nord-stream.com/news.html.

IN DISCUSSION WITH RUSSIAN ENVIRONMENTAL NGOS

Nord Stream and the Russian Regional Environmental Centre organised an information meeting with representatives of environmental NGOs of the Baltic Region. Held in St. Petersburg on 28 June 2007, the informal meeting was designed to provide comprehensive background information on the project and to inform the community of ecologists about the preparation of the national Environmental Impact Assessment (EIA). The discussion demonstrated Nord Stream’s readiness to conduct an open dialogue which will be continued at upcoming public hearings about the EIA. The meeting was an important step in securing ongoing cooperation between Nord Stream AG as well as Russian and other NGOs in the Baltic Sea region.

For further information, please visit: www.nord-stream.com/company_events.html.

NORD STREAM’S AGENDA

11 September VI. Energy Conference of the Institute of Energy Economics at the University of Cologne, and Frankfurter Allgemeine Zeitung in Cologne, Germany

14 September Nord Stream Forum on Security Aspects of a Pipeline through the Baltic Sea in Stockholm, Sweden

19-20 September Oil and Gas Environment Days in Helsinki, Finland

20 September Maritime archaeology event in Gotland, Sweden

For subscription to further issues of “Nord Stream: Facts”, please go to www.nord-stream.com/newsletter.html. If you have any comments or requests, we look forward to hearing from you.

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