



FACTS

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FACTS ABOUT THE NATURAL GAS PIPELINE ACROSS THE BALTIC SEA

MUNITIONS MANAGED BY EXPERTS

STATE-OF-THE-ART SURVEY METHODS CONTRIBUTE TO PIPELINE'S SAFETY

On 27–28 September 2007, Nord Stream invited over 25 experts to Sweden to discuss the sensitive issue of munitions in the Baltic Sea and Nord Stream's plans for managing it. The meeting was a forum for open dialogue and exchange of information among geologists, biologists, military officials, as well as munitions and surveying experts from the Baltic Sea countries.

Topics ranged from Nord Stream's state-of-the-art survey methods, including a revolutionary gradiometer used for detecting objects on the seafloor (see photo), to the current body of knowledge on chemical and conventional munitions in the Baltic Sea. Seminar participants were particularly interested in Nord Stream's current detailed seafloor



*Left: A gradiometer.
Below: Survey vessel
and a sub-bottom
 profiler.*



survey covering the installation corridor for the proposed 1,200 km pipeline route. Innovatum and Marin Mätteknik AB, the companies contracted to manufacture survey equipment and conduct seafloor examinations, provided a first-hand glimpse of the technology that makes this survey the most rigorous of its kind. Nord Stream will provide the results of the completed survey to all interested parties wishing to enhance their understanding of munitions in the Baltic Sea. Nord Stream looks forward to making a significant contribution to the knowledge available on this important subject.

Upon completion of the current survey, Nord Stream plans to hold a further seminar of experts to discuss the findings.

For more information on this issue, please go to: www.nord-stream.com/munitions_survey.html. A report about a Nord Stream press trip on a munitions survey vessel can be found here: www.nord-stream.com/press_events.html.

INTERNATIONAL WORKING GROUP AGREES ON TIMELINE FOR TRANS-BOUNDARY EIA

Nord Stream has agreed with the national authorities of concerned Baltic Sea states that the Transboundary Environmental Impact Assessment (EIA) report for the pipeline, required under the Espoo Convention, will be published in spring 2008.

Publication will follow further internal consultations by the international working group of Baltic country officials. Nord Stream discussed the next steps in the EIA process at a meeting with the working group on the island of Bornholm on 8–9 October 2007. The procedure was agreed to ensure the quality of the EIA report and to facilitate the decision-making process.

Nord Stream informed the working party that the first national EIA report required as part of the application process in each state will be completed by the end of 2007. The process will continue during the first half of next year reflecting the particular circumstances of each country. This will enable Nord Stream to submit applications for consent in line with existing plans.

The working group also discussed the decision by the Estonian authorities to refuse permission for a route optimisation survey in the Gulf of Finland. For the Nord Stream statement on the Estonian decision, please see next page.

NORD STREAM TO PURSUE ORIGINAL PIPELINE ROUTE IN THE GULF OF FINLAND

Following several years of investigations, Nord Stream has proposed a pipeline route running through the Gulf of Finland, in Finland's Exclusive Economic Zone (EEZ).

During the course of international consultations, the Finnish government requested in February 2007 that Nord Stream investigate a more southerly route for the pipeline in the Gulf of Finland. The Finnish proposal aimed to minimise any environmental impact. The suggested route alignment being considered was discussed at a joint meeting between Nord Stream and representatives of the Estonian and Finnish authorities. Following this, Nord Stream submitted an official application to conduct environmental surveys in the Estonian EEZ on 31 May 2007.

Nord Stream received the notice of refusal from the Estonian Ministry of Foreign Affairs on 26 September 2007 and has reviewed it carefully. Nord Stream is surprised to have been refused a survey permit, as Estonian, European and international law were followed by Nord Stream in good faith and to the best of its knowledge and ability.

It is the responsibility of the Estonian authorities to interpret and apply Estonian law. The rejection of Nord Stream's survey request, however, does not appear to be based solely on a legal evaluation of

the facts. Nord Stream had provided orally and in written form additional explanations and specifications of some of the aspects quoted as reasons for the refusal. Furthermore, it had invited the Estonian authorities to observe the survey activities at all times. The Estonian authorities did not consider the additional information provided by Nord Stream. They also did not take up the opportunity of a discussion with Nord Stream of potential reasons for refusing the permit, nor did they propose additional conditions for the granting of the permit which Nord Stream would have had to comply with.

A route alignment, for which a survey would necessitate legal proceedings against the relevant government, cannot be considered a reasonable alternative to the original route, as set out in the Espoo Convention. Nord Stream is a project of European interest, as established under the European Union's Trans-European Energy Network guidelines. The security of energy supply for a number of countries in Central and Western Europe cannot depend on the outcome of protracted legal proceedings. Nord Stream will therefore continue to develop the originally planned route and constructive working relationships with all countries around the Baltic Sea to find solutions for safeguarding the environment and the security of supply in Europe.

INFORMATION FORUM IN STOCKHOLM

During a Nord Stream Information Forum on 14 September 2007, Joseph A. Stanislaw, an international energy expert, Alexander Medvedev, Deputy Chairman of the Gazprom Management Committee and Director General of OOO Gazprom Export, and Kurt Bligaard Pedersen, Executive Vice President for Dong Energy (pictured from left to right), discussed Europe's future security of supply and Nord Stream's significant contribution to it. In a second panel, environmental and technical aspects of the planned Nord Stream pipeline were addressed. For more details and to download all the presentations, please go to: www.nord-stream.com/company_events.html.



*Left: A pipe-laying vessel and a pipe carrier.
Right: Inside the pipe-laying vessel. For more information about the pipe-laying process, please go to: www.nord-stream.com/pipe-laying.html.*



LETTER OF INTENT SIGNED WITH SAIPEM TO CONTRACT PIPE-LAYING CAPACITIES

Nord Stream has signed a letter of intent with the Italian company Saipem for installation of its gas pipeline system. Over a nine-month tender period, Nord Stream evaluated bids from three contractors offering offshore pipe-laying for the construction of two parallel 48' gas pipelines in the Baltic Sea.

Saipem showed it has the resources required during the laying period between 2009 and 2012. Nord Stream expects to finalise a detailed contract by February 2008. Italian company Saipem is a leader in the provision of engineering and construction services, with distinctive capabilities in the design and execution of large scale offshore projects.

NORD STREAM NAMES SUCCESSFUL BIDDERS FOR STEEL PIPE SUPPLY

Nord Stream has named the successful tenderers for the supply of high-quality steel pipes for the first pipeline. They are to be manufactured and delivered during 2008-2009. Following an international invitation to tender, the successful bidders are the German company EUROPIPE (Mülheim a. d. Ruhr) and the Russian pipe mill OMK (Vyksa).

Both are DNV (Det Norske Veritas) certified suppliers. DNV certification is a guarantee of the highest international quality standards. One pipeline requires around 1.1 million tons of steel. The naming of successful bidders is one of the most important decisions in respect of project requirements and the overall budget. By committing itself to two-year contracts, Nord Stream has secured pipes for the first pipeline at current prices, while taking account of projected steel market developments to ensure security for its suppliers.

The German company EUROPIPE will supply three quarters and the Russian manufacturer OMK one quarter of the steel pipes. Technical, commercial and capacity-related criteria determined the split between the suppliers. A new pipe supply tender will be held for the second pipeline. By then, the number of technically qualified pipe mills is expected to increase.



100,000 high-quality pipes, each measuring 12 m, will be produced for the first Nord Stream line.



CANNON DATING FROM 1566 IS RECOVERED

A cannon dating from 1566 has been recovered in Visby Harbour, Gotland as part of “Heritage Underwater – Maritime Archaeology”, a project supported by Nord Stream. The recovery operation was completed successfully on 20 September 2007. For further information, please visit: www.nord-stream.com/news_list.html.

MECKLENBURG-WESTERN POMERANIA WELCOMES PIPELINE ACROSS THE BALTIC SEA

On 27 September 2007, the Prime Minister of the German federal state of Mecklenburg-Western Pomerania, Dr Harald Ringstorff, met with representatives of Nord Stream management to discuss the latest project developments, especially the contract awards for the pipe production and pipe-laying process.

Tenders for the project’s logistics, including the sites for coating plants and marshalling yards, will be finalised by the end of 2007. As a result of a detailed analysis of the Baltic Sea region, Nord Stream has asked potential logistics contractors to consider the port of Mukran in Mecklenburg-Western Pomerania as a logistics hub.

Prime Minister Ringstorff has supported the Nord Stream project as an “important part of the Trans-European Energy Networks” which, he says, could create many new jobs in Mecklenburg-Western Pomerania.

NORD STREAM’S AGENDA

November 6 Signing of the contract with OMK, Vyksa, Russia

November 8 Signing of the contract with EUROPIPE, Mulheim/Ruhr, Germany

November 21 Conference “Investing in Infrastructure”, London, United Kingdom

November 23 Public hearing, Vyborg, Russia

November 30 Nord Seminar “Fish and Fishery”, Malmö, Sweden

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