

PRESS RELEASE

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The Pipeline through the Baltic Sea is a Priority Energy Project for the European Union

- **The project has entered a new phase**
- **The technical concept is finalised**
- **Authorisation procedure to start in November**
- **Nord Stream is the new company name**
- **Company headquarters officially opened in Zug, Switzerland**

The European Union will require increasing volumes of natural gas over the coming years to meet its energy requirements. In order to ensure safe and reliable supplies, it sees an urgent need to expand the transport infrastructure. The EU Commission has therefore declared that the planned pipeline under the Baltic Sea is a priority energy project and it has confirmed the special status of the project as part of the Trans European Network (TEN-E). Matthias Warnig, Managing Director of the company founded to plan, construct and operate the pipeline welcomed the decision on Wednesday at a press conference in Zug, Switzerland: "Nord Stream is essential for ensuring Europe's energy security for the coming decades. It will be able to transport about 25% of natural gas needed additionally in EU 25 in 2015. We are proud of the important status that the EU has given to our project." Warnig emphasised that Nord Stream would be intensifying cooperation with the countries around the Baltic Sea and with the EU during the further planning and construction of the pipeline. After a period of thorough preparation, the project was now entering a new phase. The company founded by Gazprom (51%), Wintershall and E.ON Ruhrgas (24.5% each) opened its head office in Zug, Switzerland on Wednesday under its new name – Nord Stream.

The technical concept is finalised

On the basis of technical and economic analysis, the technical design concept has been finalised. It envisages pipelines with an outside diameter 1220 mm and design pressure up to 220 bar, for which no midway compression is required. For pipeline maintenance and security purposes a service platform will be built on the route.

Authorisation procedure to start in November

Over the past six months, intensive preparations have been made for the approval procedure, including a series of meetings with the governments of the Baltic Sea states. In mid-November, official notification of the project will be sent to Russia, Finland, Sweden, Denmark and Germany, the countries whose exclusive economic zones and/or territorial waters the pipeline is planned to pass through, as well as to Poland, Latvia, Lithuania, and Estonia. This will be the first step in the authorisation procedure. After a process of public consultations, the directly involved countries will give notice within a few months of the investigations they will require, and the appropriate environmental impact assessment will follow. Detailed field studies are already being conducted on the basis of Helcom data to study and record the maritime environment along the proposed route of the pipeline, including fauna, flora, water, and sediments. In autumn 2007, Nord Stream will complete a comprehensive environmental report.

Nord Stream is the new company name

Nord Stream, the new company name, replaces the working title 'NEGP'. It reflects the project mission of creating an efficient gas pipeline infrastructure to ensure a reliable supply of environmentally friendly natural gas from Siberia to Northern Europe. Nord Stream is a strong name with maritime connotations very suitable for a major subsea pipeline project.

The colours and shape of the company logo relate to the north, sea and flow of natural gas. The logo reflects the project values of security, sustainability, nature-friendliness, and openness.

Company headquarters officially opened in Zug, Switzerland

Switzerland, with its internationally recognised legal system, offers an ideal location for this European project, since the shareholders Gazprom, E.ON Ruhrgas and Wintershall decided that their joint venture should not be based in any of the directly related

countries. More than three-quarters of the team of 70 co-workers will be based at the company's head office in Zug.

Following the appointment of Matthias Warnig as Managing Director in March, the directors were announced for the various operational sectors. Sergey Serdyukov (from Gazprom) will be responsible for Technology, Paul Corcoran (from Wintershall) for Finance, and Henning Kothe (from E.ON) for Commercial Operations. Vitaly Yusufov (from Gazprom) will be in charge of the office to be opened in Moscow.

Note for editors:

Nord Stream natural gas pipeline will cross the Baltic Sea between Vyborg in Russia and Greifswald in Germany. With a total length of about 1200 kilometres, it is planned to be operational in 2010 with an initial transport capacity of some 27.5 billion cubic metres per annum. In the second phase, a parallel pipeline will increase the transport capacity to about 55 billion cubic metres p.a.

For further information visit: <http://www.nord-stream.com>

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