

PRESS RELEASE

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Nord Stream Goes Ahead With Environmental Assessment

First stage of international consultation process finalised

Stockholm, 22 March 2007. 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 the 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 which have been received focus on key issues discussed in public hearings and meetings with authorities and organisations over the past months. The issues raised relate to the impacts on the sea bed, on commercial fisheries, and the impact of dumped and left munitions. These topics have already 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 the early autumn 2007. The integration of statements from the countries in this stage of the project preparation will ensure and facilitate an optimal decision making process.

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

Further environmental examination to be completed

At the meeting Nord Stream informed the 'Parties of Origin' about the environmental investigations conducted 2005 to 2006 and the planned activities for 2007. The topics addressed included:

Impact on the seabed and dispersion of polluted sediments and mobilisation of nutrients

For the main portion of the route, the Nord Stream pipelines will be laid directly on the sea bed. It will only be dug into the bottom where this is deemed necessary to secure the integrity and safety of the pipelines. It is well known that parts of the Baltic Sea sediments are polluted from anthropogenic sources and that nutrient

loads are embedded in the bottom sediments. Any disturbance of the sediments may cause dispersion and changes in the overall local environment.

In 2005-2006, Nord Stream carried out a comprehensive sediment sampling programme along the entire pipeline route in order to supplement the existing results of the HELCOM monitoring program. The field study included:

- Vertical field measurements of physical and chemical parameters (temperature, salinity, conductivity, etc.) at 89 stations along the planned route.
- Physical and chemical analysis of water and sediment samples from 89-255 stations, including analysis of content of nutrients, heavy metals, and organic contaminants, as polyaromatic hydrocarbons (PAHs) and polychlorinated biphenyls (PCBs).
- Plankton samples at 59 stations, samples of bottom fauna (macrozoobenthos) from 255 stations and fish populations at 16 stations.
- Observations of birds and marine mammals along the whole pipeline route.

Hence, a comprehensive baseline investigation is available for a series of contaminants (heavy metals and persistent organic pollutants).

In order to prepare a detailed assessment of the impacts from constructing the pipelines on and in the sea bottom the following additional activities are planned:

- Detailed review of the technical design for pipeline installation and pre-lay activities (levelling of the sea bottom and pipeline support) (May 2007),
- Supplementary sediment sampling and analyses in expected vulnerable/high impact areas (May-June 2007),
- Hydro-dynamic modelling of sediment dispersion, calculation of impact area and description of impacts (July-August 2007).

The environmental impact assessment report will consequently include information on the expected impacts (type, extent, importance and trans-boundary character) from pipeline construction along the full pipeline route. Nord Stream regards this as the main environmental impact in the project's construction phase.

Impact on commercial fisheries

Following meetings with fishery associations in the countries, it is recognised that commercial fisheries are under considerable pressure because the quotas for important catches (e.g. cod) are increasingly limited. It is therefore of concern if the Nord Stream measures introduce further restrictions and/or have negative impacts on spawning and nursing areas for important commercial fish species.

In order to establish a common understanding with the fishery organisations, Nord Stream has already collected information and carried out:

- Mapping of spawning areas, and identification of their seasonal sensitivity in order to avoid impacts in these areas/seasons,
- Studies of catches in the Baltic Sea for various commercial fish types in order to assess their economic importance.

To obtain a detailed overview of consequences for the individual fishermen, studies will be made on types, sizes and usage of fishing equipment and their vulnerability to the pipelines (e.g. risk of snagging on the pipeline while trawling). These studies will be conducted in April-May 2007.

In addition, training programmes regarding trawling techniques in pipeline areas will be offered in cooperation and in agreement with the fishery organisations in the involved countries.

Impact of dumped and left munitions

Chemical munitions were dumped after WW II. 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 revisit the specific route in detail to confirm sea bottom features, including areas where the pipeline route may be realigned.

Nord Stream AG's stated strategy toward 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 not possible; await authority instructions and clearance.

Nord Stream AG will report all munitions finds to responsible national authorities (i.e. Ministry of Defence and their 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 of the time schedule for obtaining survey permits from the respective authorities, the survey shall be conducted in May-August 2007 and will entail a three staged approach:

- The first swath of the seabed will cover a corridor width of 2 x 30 m (measured from the track line of the survey vessel) using Multibeam Echo Sounder (MBES), a high-resolution Side Scan Sonar (SSS), and sub-bottom profiler. The pipeline corridor shall be covered in two runs with appropriate spacing for sake of redundancy. The sonar equipment will be pulled behind the survey ship at a constant speed of 4-6 knots.
- During the second stage of the survey an array of magnetometers with high-frequency sampling rate (typically a caesium-vapour type) 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 gradient will be used as guidance to identify targets that need subsequent further inspection during stage three. The width of the corridors covered by this equipment will be similar to that specified for the Nord Stream

pipelines, i.e. 2 x 10 m for each pipeline covered in two runs (100%). The equipment is assumed to pick up metallic targets within a range of 10 – 15 m.

- Targets that are identified as “interesting” – resembling munitions – will be subjected to further detailed investigation with ROV equipped with scanning sonar, pipe-tracker and video.

Permitting at national level

The pipeline shall be permitted in the ‘Parties of Origin’ based on the technical design and the EIA documentations. Activities are ongoing in order to secure a common safety standard, and meetings with the technical permitting authorities have commenced.

The successful consultation process has been based on a very open dialogue with all planning and permitting authorities around the Baltic Sea, and Nord Stream perceives this cooperation as one of the pillars for the successful permitting of the overall project. In response to the statements and comments given, Nord Stream will therefore strive to accommodate and meet the concerns raised and will take the statements and comments into consideration when finalising the technical design and the comprehensive environmental impact assessment of the project.

About the Espoo process

The Espoo Convention on Environmental Impact Assessment in a Trans-boundary Context stipulates the obligations of Parties to assess the environmental impact of certain activities at an early stage of planning. The project has been notified on November 16, 2006 by the ‘Parties of Origin’ which are the countries where the pipeline is planned to run through the exclusive economic zones and/or territorial waters (Germany, Denmark, Sweden, Finland, and Russia). These countries have notified the project as well as Estonia, Latvia, Lithuania, Poland as ‘Affected parties’. Representatives from the planning and permitting authorities of all the countries have met in Espoo meetings in 2006 (April, August, October, November 2006) and in February 2007 to discuss and coordinate the procedures.

The notification was based on a comprehensive project information document submitted by Nord Stream. The preparations for the notification, including the elaboration and translations of the project information document have taken place since April 2006 in a close cooperation between the authorities around the Baltic Sea. Hence, the project has been open to public consultation in all the countries around the Baltic Sea between November 16, 2006 and February 16, 2007. In this context Nord Stream has held 11 public hearings and more than 20 meetings with authorities of the Baltic Sea states and international organizations.

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