

PRESS RELEASE

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Construction of Offshore Pipelines in Accordance with Environmental Standards Rational Approach to Environmental Impact Debate

Zug, 28 May 2007. The debate about the environmental impact of infrastructure projects in the Baltic Sea needs to finally be approached in a more rational manner. "As several companies consider building gas pipelines across the Baltic Sea, they must have realised that it is possible to construct such pipelines in accordance with international environmental standards. The projects show that improving the energy infrastructure with offshore solutions does not inevitably mean damage to the Baltic Sea", says Dirk von Ameln, Permitting Director of Nord Stream AG.

Nord Stream is only one of several planned or existing energy infrastructure projects in the Baltic Sea. In addition to the pipeline from Vyborg to Greifswald, further offshore natural gas pipelines across the Baltic Sea are under consideration: Poland is interested in a connection from Denmark across the Baltic Sea (Baltic Pipe), while Estonia and Finland are also planning a connecting pipeline across the sea (Balticconnector). Furthermore, there are submarine power cables and several offshore wind parks. All of these projects strive to minimise their impact on the environment and preserve the Baltic ecosystem.

While planning and constructing the pipeline, Nord Stream AG acknowledges concerns and recommendations of the Baltic Sea countries, and is determined to make sure that the new pipeline meets the comprehensive environmental standards. The decision taken by the company to invest in further complex investigation of the route optimisation, in addition to the comprehensive studies already made and planned, reconfirms Nord Stream's commitment to conservation of the Baltic Sea and minimisation of environmental impacts.

Generally, all energy infrastructure projects face very similar challenges in the Baltic Sea. Such challenges can be handled if a project is planned very carefully and the best available technology is used to meet the highest environmental standards, as Nord Stream does. Therefore, Nord Stream AG believes that the future discussion of environmental concerns will become much more realistic and less speculative in nature.

In order to fully assess how many energy infrastructure projects have already been built or are under consideration, please find attached an overview of such projects in the Baltic Sea.

Notes for editors:

Nord Stream is a natural gas pipeline that will link Russia and the European Union via the Baltic Sea. By connecting the world's biggest gas reserves with the European gas pipeline network, Nord Stream will meet about 25% of the additional gas import needs of the European Union. The project will be an important contribution to long-term security of supply and a touchstone for the energy partnership between the European Union and Russia.

With a total length of about 1,200 kilometres, Nord Stream 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 per annum. The permitting process of the project, which among other things involves the Environmental Impact Assessment (EIA) in accordance with international and national legislation, recently started in the Baltic Sea region countries.

Nord Stream AG is an international joint venture established with the purpose of planning, construction and subsequent operation of the new offshore gas pipeline. Gazprom holds a 51% stake in the joint venture, and Wintershall and E.ON Ruhrgas hold 24.5% each.

In March 2007, Nord Stream completed the first stage of the international consultation in accordance with the Espoo Convention, which regulates EIA in a trans-boundary context. Statements relating to the project were received from authorities, associations and private bodies from the countries in the Baltic Region.

The comments that were 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 and commercial fisheries, as well as 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 EIA, which is to be submitted in 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.

For more information please visit: <http://www.nord-stream.com/news/page1/issue54/>

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