

PRESS RELEASE

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Dialogue continues in international consultation process Plans for route optimisation north of Bornholm presented

Zug, 30 August 2007. 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.

Notes for editors:

Nord Stream is a natural gas pipeline that will link Russia and the European Union via the Baltic Sea. Gas import of the European Union, 336 billion cubic metres in 2005, is projected to grow by 200 billion cubic metres to 536 per year in 2015 (Source: Global Insight, 2007). Connecting the world's biggest gas reserves with the European gas pipeline network, Nord Stream will meet about 25 per cent of that additional requirement. The project will be an important contribution to long-term security of supply and a test of the energy partnership between the European Union and Russia.



Nord Stream AG plans to have the first of two parallel pipelines, approx. 1,200 kilometres long, each with a transport capacity of some 27.5 billion cubic metres per annum, operational in 2010. In the second phase, capacity should double to about 55 billion cubic metres a year.

As a cross-border project, Nord Stream is subject to international conventions and national legislation in each of the countries through which it passes. Before construction starts, an Environmental Impact Assessment (EIA) will be completed along the whole pipeline route. This is a detailed study of environmental aspects in a trans-boundary context. The process is governed by international law (Espoo Convention) and by national legislation in the countries concerned.

The Espoo Convention sets out the obligations of parties to assess the environmental impact of certain activities at an early stage of planning. It also lays down the general obligation of states to notify and consult each other on all major projects under consideration that are likely to have a significant environmental impact across national borders. The Espoo Convention was opened for signature in Espoo (Finland) on 25 February 1991 and came into force on 10 September 1997. Nord Stream started its consultation process under the Espoo Convention with the notification of the project in November 2006.

Notification launched the first phase of the consultation process during which Nord Stream participated in 22 public hearings and a large number of meetings with the relevant authorities in the various countries. These consultations resulted in the receipt of 129 statements from private and public bodies in the Baltic Sea countries.

The statements focus on the impact on the seabed and commercial fisheries as well as on dumped and residual munitions – issues which Nord Stream and its shareholders have addressed and researched for several years. Based on these statements, Nord Stream launched additional studies in April 2007 to investigate areas where the route of the pipeline could be further optimised in order to minimise environmental impacts, including the routing near Bornholm. All comments will be analysed and incorporated into the final EIA Report required under Espoo. Work on the EIA Report should be completed in 2007. The full report will be presented to the authorities of all countries involved and will be made available for public scrutiny.

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

For further information and download of the map please go to www.nord-stream.com.

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