

## PRESS RELEASE

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### Nord Stream Decided on Pipe Tender

**Zug, 25 September 2007.** Nord Stream has finalised the international tender to supply high-quality steel pipes for the first pipeline. The tender was awarded to EUROPIPE, the world's largest pipe producer (Mülheim a.d. Ruhr, Germany), and to the Russian pipe mill OMK (Vyksa). The decision was taken by the Shareholder's Committee yesterday following thorough evaluation of bids from pre-qualified German, Japanese and Russian companies.

All bidders had to prove their technical ability to supply high pressure large-diameter steel pipes for offshore use. Both EUROPIPE and OMK are DNV (Det Norske Veritas) certified suppliers. This certification guarantees the highest international standard. EUROPIPE has a proven track record. OMK is a new player on the offshore pipe market. Its trial production was tested and certified by the independent DNV.

Both suppliers can provide the necessary capacities for manufacture and delivery of the required pipes in 2008 and 2009.

As one pipeline requires around 1.1 million tons of steel, this is one of the most significant decisions regarding the requirements for the project and also the overall budget. By committing itself to two-year contracts, which are expected to be signed in October, Nord Stream secures the pipes for the first line at the current price level. At the same time, the expected development of the steel market was taken into account to also provide for security on the contractors' side.

As a result of the bid evaluation process, three quarters of the tender will be awarded to German EUROPIPE and one quarter to the Russian manufacturer OMK. Basis for the split are technical, commercial and capacity-related criteria. For the second pipeline, there will be a completely new pipe supply tender. The number of technically qualified pipe mills is expected to increase.

#### Notes for editors:

**EUROPIPE** was founded in 1991 by the Dillinger Hütte and Salzgitter Mannesmann groups. The global leader in the production of large welded pipes has production locations in Germany, France, Brasil and the USA. The company has a permanent staff of around 1,400 people.

**United Metallurgical Company (OMK)** is one of Russia's largest producers of pipes, railroad wheels, and other metal products for energy, transport, and industrial companies. OMK comprises six large enterprises in the metallurgical sector. The company employs over 25,000 people.

**Det Norske Veritas (DNV)** is an Oslo-based independent foundation established in 1864 with the objective of safeguarding life, property, and the environment. It identifies, assesses, and advises on the management of risk in the maritime industry, energy and transportation. DNV has a dedicated research department that has enhanced and developed services, rules and industry standards. Many of the technology solutions developed have been so precise that they have helped define internationally recognized standards.

**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.

**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 please go to [www.nord-stream.com](http://www.nord-stream.com).

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