

PRESS RELEASE

20 September 2007

Nord Stream notes the decision by Estonian government

Zug, 20 September 2007. Regarding today's decision by the Estonian government concerning the survey permit in its exclusive economic zone, Nord Stream released the following statement:

Nord Stream takes notice of the decision by the Estonian government.

The details associated with this decision must be carefully studied before a further evaluation can be made.

As part of the international consultation process in accordance with the Espoo convention, Finland had requested a survey of a potential route further south in the Gulf of Finland in order to minimise environmental impact. Nord Stream accommodated this request with this survey application.

Nord Stream is crucial to providing Europe with a sustainable supply of natural gas and has been declared a priority project by the European Union. Nord Stream will continue to work with countries bordering on the Baltic Sea to ensure that the pipeline will be constructed in a timely manner in accordance with the highest possible security and environmental standards.

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. 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.

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