

STATEMENT

18 January 2008

Nord Stream Investigates Most Environmentally Friendly Solution for Pressure Tests

Final decision to be taken after further studies and consultation with relevant authorities

Zug, 18 January 2008. Nord Stream has informed the Swedish government in an environmental study about possible impacts of pipeline laying works. This also includes aspects of pressure tests.

After installation of the pipelines is completed, a pressure test of the system will take place to demonstrate the integrity of the offshore pipeline sections. For the test, the pipelines will be filled with seawater. The total volume of each pipeline is 1.2 million cubic metres.

When the pipelines are filled with seawater, the bare steel inside the pipes will be in contact with water and there is a risk of corrosion. In order to prevent this internal corrosion, the water can be treated with an oxygen scavenger and a biocide, which is a proven solution for offshore pipelines. This treatment is assumed to represent a safe solution for the integrity of the pipeline and is standard procedure for offshore pipelines. The biocide is also used in a large scale in the paper and pulp industry.

The biocide in question will start to degrade rapidly in the pipeline just after filling. However, in the environmental assessment we have conservatively assumed the same concentration as when initially added to the water. After the pressure test is carried out, dewatering of the pipeline will be performed. The water from the pipelines will be discharged into the sea at the platform location to the northeast of Gotland, where the water depth is 101 metres.

The impact on water quality caused by the discharge of pressure test water will be temporary and locally limited. However, Nord Stream's objective is to reduce the use of chemicals to an absolute minimum while still maintaining the safety and integrity of the pipeline. On this basis, a number of alternative solutions for pressure testing will be investigated. The alternatives include a lower chemical dosage, use of alternative biocides, or even no use of chemicals at all. They will be investigated in a laboratory test programme which is expected to be completed in the second half of 2008. Final decision on chemical treatment of the pressure test water, if any, will be based on the results of the laboratory tests. Other mitigation measures as the technical solutions during discharge will be studied further.

The Swedish authorities will be informed constantly of project developments.

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