

PRESS RELEASE 8 April 2008

Maintenance of Nord Stream Pipelines Feasible Without A Service Platform

Nord Stream to supply supplementary documentation to Swedish Government

Stockholm, 8 April 2008. Nord Stream AG has withdrawn the conditional application to the Swedish government to build a service platform off the coast of Gotland. Using advanced technology, the consortium now plans to build its pipeline across the Baltic Sea without such a platform. Reflecting these plans and responding to Swedish Government requests, Nord Stream is supplementing the documentation accompanying its application to build the pipeline through Swedish waters.

Technological development in pipeline maintenance

In December 2007, Nord Stream submitted a conditional application to build a service platform northeast of the island of Gotland in the Swedish Exclusive Economic Zone (EEZ). Since submitting this application, Nord Stream has continued to seek maintenance solutions for the pipeline without building an intermediate service platform. In view of the debate and concerns in Sweden regarding the platform, Nord Stream is pleased that technological advances obviate the need for a platform at the mid-point of the planned pipeline route.

Pipeline maintenance will be undertaken through the deployment of intelligent pipeline inspection gauges ("pigs"). Suppliers have confirmed that an inspection gauge will be able to travel the entire length of the pipeline. Currently, studies are being finalised which describe the technical design of these gauges. Other pipeline projects, such as Franpipe and Langeled, show that long distance pigging is feasible for long high-pressure, large-diameter pipes.

Submission of supplementary documentation

Together with the applications for a platform and the pipeline system submitted in December 2007, Nord Stream provided an environmental study that describes the potential impact of the pipelines on the environment. This report is equivalent to an Environmental Impact Assessment (EIA) for the Swedish part of the project and was provided even though it is not required under Swedish law.

As already announced in December, Nord Stream will supplement its application documentation for the pipeline system in accordance with the government's request



and in accordance with Swedish and international law. Nord Stream believes that all prerequisites have been met to start dialogue with the Swedish government about this important project for meeting Europe's energy supply needs and protecting the climate.

Notes for editors:

Nord Stream is a natural gas pipeline that will link Russia and the European Union via the Baltic Sea. Gas imports into the European Union, 336 billion cubic meters (bcm) in 2005, are projected to grow by 200 bcm 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 milestone of the energy partnership between the European Union and Russia.

Nord Stream AG plans to have the first of two parallel pipelines operational in spring of 2011. Each line is approximately 1,220 kilometres long, providing a transport capacity of some 27.5 bcm per annum. Full capacity of about 55 bcm a year will be reached in the second phase, when operation of the second line starts.

In December 2007, Nord Stream submitted application documents to the Swedish government for a planned offshore pipeline system in Sweden's EEZ. This marked the beginning of the official national permission procedure in Sweden for Nord Stream. The company submitted an application for the construction of the pipelines, including a technical description in accordance with the Swedish Continental Shelf Act. Nord Stream also filed a conditional application to build a service platform in accordance with the Swedish EEZ Act.

A pipeline inspection gauge – known in the industry as a "pig" – is a maintenance tool that is sent down a pipeline and propelled by the pressure of the product in the pipeline itself. Pigs are fitted with high-resolution sensors that can detect even the smallest irregularities due to external impact or internal or external corrosion. Inspection results are the basis for undertaking any remedial measures required to ensure operational safety.

Nord Stream AG is an international joint venture established for the planning, construction and subsequent operation of a new offshore gas pipeline. Gazprom holds a 51 per cent stake in the joint venture. BASF/Wintershall and E.ON Ruhrgas hold 20 per cent each. Dutch gas infrastructure company N.V. Nederlandse Gasunie is acquiring a 9 per cent stake.

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