

PRESS RELEASE

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NORD STREAM COMPLETES ADDITIONAL ROUTE INVESTIGATIONS AT REQUEST OF THE BALTIC SEA COUNTRIES

Intensive dialogue during 11th meeting of international working group to ensure environmental safety of natural gas pipeline

Moscow, 30 May 2008. The two-day meeting of the international Espoo working group, which brings together representatives from various ministries and authorities of all the Baltic Sea countries, ended today in Moscow. Nord Stream provided a detailed update on the project's progress and key outcomes of the comprehensive environmental studies, along with a substantial part of the Environmental Impact Assessment (EIA) report that is being prepared in line with international law (Espoo Convention). This includes updated and expanded description of the project and methodology used for environmental assessment. The remaining part of the EIA report is to be finalised based on the outcomes of the ongoing route optimisation.

Nord Stream presented its activities aimed at fine-tuning the pipeline route, which were launched after recent requests by Danish and Finnish authorities. The optimisation pertains to limited areas in the Danish territorial waters near the island of Bornholm (based on a letter from Danish authorities received in January 2008). Finnish authorities also called for fine-tuning in the Finnish exclusive economic zone (EEZ) in the Gulf of Finland, and in the Russian EEZ near the island of Gogland. Key factors for the route optimisation are minimising risks and environmental impact. Each route variation requires additional seabed survey activities, detailed technical engineering, and environmental assessments. Additional seabed surveys were started this year after obtaining the necessary survey permits and waiting for favourable weather conditions. Route optimisation will be finalised based on the results of these survey works.

In order to have an interim consultation on essential issues of the EIA work, experts and representatives from authorities from all the Baltic Sea countries will have a meeting in Hamburg in September. The comprehensive final draft of the transboundary EIA report comprising all comments received during international consultations will be ready in October 2008 and submitted for discussion by the authorities.

Following thorough analyses of the outcomes of the international consultations with authorities and the public of the Baltic Sea states on issues related to the environment, Nord Stream is preparing a comprehensive White Book. The document is being conceived to include all comments and questions dealing with the environmental assessment of the project. It will provide answers and comments on how specific issues will be treated in the assessment. Roughly 190

comments have been received from national authorities and non-governmental organisations. The comments raised a total of roughly 1,400 questions, which are being clustered systematically into 90 topics.

The White Book will be published on the Nord Stream website upon completion, in accordance with the company's policy of transparency, its conscious approach to all comments from around the Baltic Sea, as well as its goal of continuously keeping the public abreast of project developments.

Dirk von Ameln, Permitting Director at Nord Stream said: "Nord Stream is conducting the most comprehensive transboundary environmental assessment ever, involving nine countries and millions of stakeholders. It will set new standards for infrastructure projects in the years to come. Nord Stream is committed to investing the necessary time and resources into surveys and engineering to ensure environmental safety." The EIA report will be open to public scrutiny in ten languages.

Notes for editors:

Nord Stream is a natural gas pipeline that will link Russia and the European Union via the Baltic Sea. Gas imports by the European Union, 336 billion cubic meters (bcm) in 2005, are projected to grow by 200 bcm to 536 bcm 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 operational in 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.

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. 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.

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 has started its consultation process under the Espoo Convention with ministries and authorities in April 2006. After the notification of the project in November 2006, Nord Stream participated in over 25 public hearings and a large number of meetings with the relevant authorities in the

various countries. These consultations resulted in the receipt of 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. All comments will be analysed and incorporated into the final transboundary EIA report. The full report will be presented to the authorities of all countries involved and will be made available for public scrutiny in ten languages.

For further information please go to www.nord-stream.com.

For further information please contact:

Jens Müller, mobile: +41 79 295 96 08
Irina Vasilyeva, mobile: +7 916 133 8781

Email: press@nord-stream.com