

PRESS RELEASE

Nord Stream Signs 650 Million Euros Contract with EUPEC

Important step of the pipeline project to start gas deliveries in 2011

Zug, 30 July 2008. Yesterday Nord Stream AG (Zug) and EUPEC (Dunkerque) signed a contract for the supply of concrete coating and logistics services for the Nord Stream pipeline project. The agreement is an important step enabling Nord Stream to start to deliver the additional gas that Europe needs from 2011. The contract with EUPEC is worth about 650 million Euros. Around 100 million will be invested in creating the infrastructure required around the Baltic Sea coast.

The EUPEC contract covers the concrete coating of pipe segments and their transport, handling and storage in the Baltic Sea region. To ensure that pipeline construction can start as planned in early 2010, for logistic reasons one third of the segments required for the 1,220 kilometres pipeline must be stored and ready for laying at various logistics sites on the Baltic coast. To meet this schedule, EUPEC has already started constructing a concrete weight coating yard near Mukran on the German island of Rügen. A further facility will be constructed in Kotka, Finland. Delivery of steel pipes to these interim stock yards started in May 2008. Currently, around 12,000 segments are in storage at Mukran, a further 1,500 at Kotka, ready for the coating process to start at the beginning of 2009. The logistics plan envisages two further interim stock yards in Sweden – at Slite and Karlskrona – and a third in Hanko, Finland. From these the treated pipes will be transported to the pipelay vessels – located at a maximum distance of 100 nautical miles.

In addition to setting up the logistics chain, Nord Stream focuses on obtaining consent to construct and install the pipeline in the territorial waters or exclusive economic zones of the five “affected” Baltic Sea countries. As part of the international consultation laid down in the Espoo Convention, a final draft of the Environmental Impact Assessment (EIA) report will be presented to all Baltic Sea countries in October. National applications to build the pipeline will be submitted in late 2008 and early 2009.

An economic boost for the Baltic Sea region

The construction of the concrete coating yards for the pipeline project will bring employment and further regional economic development. The coating and interim stock yards in Mukran and Kotka will create about 150 additional jobs at each site for at least three years. Investments in the envisaged logistics centres in Slite, Karlskrona and Hanko are assumed to bring further economic impulses, potentially creating about 25 jobs at each site. Generally, regions benefit from the renewal and

extension of port facilities and the resulting improvement in infrastructure.

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Notes to 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, 314 billion cubic metres (bcm) in 2005, are projected to grow by almost 200 bcm to 509 bcm per year in 2025 (Source: European Commission/DG-TREN, 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 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 across the Baltic Sea. Gazprom holds a 51 per cent stake in the joint venture. BASF/Wintershall and E.ON Ruhrgas hold 20 per cent each, and N.V. Nederlandse Gasunie has a 9 per cent stake.

EUPEC is one of the world-wide leading companies in the application of multi-layer anti-corrosion coating systems. For more than 40 years, EUPEC has been providing reliable solutions for the "end-to-end" protection of steel pipelines on both onshore and offshore pipeline industries. This international reputation also applies to concrete weight coating, pipe-in-pipe fabrication, cathodic protection, remote processing and monitoring of pipelines and services related to global project management and pipeline field services. EUPEC is certified ISO 9001, 14001, OHSAS 18001 and Qualicert.