

STATEMENT

Nord Stream Presents Optimised Route in Bornholm Area

Zug, 2 September 2008. Nord Stream has introduced an optimised route around Bornholm. The so-called S-Route¹ was developed and investigated following a request earlier this year by the Danish authorities to evaluate an alternative route south of Bornholm. The findings were compared with the previous northern route and the process yielded a decision in favour of the optimised S-Route.

The S-Route is the result of a careful assessment of many factors, such as safety in relation to ship traffic and environmental impact. It also accounts for earlier concerns from Sweden. In Germany, Nord Stream is closely cooperating with the responsible authorities and has discussed the possible consequences of the decision with them.

Avoiding known areas with dumped conventional and chemical munitions was a top priority in the route selection process. In order to evaluate potential contamination related to the remains of chemical warfare agents (CWA), approximately 100 soil samples were taken in Danish waters and tested in the laboratories of the Danish Hydraulic Institute (DHI) and the Finnish Institute for Verification of the Chemical Weapons Convention (VeriFin).² Test results show no increased risk along the S-Route. Denmark's National Environmental Research Institute (NERI) will compile the final report based on the test results of these labs.

The S-Route also proves advantageous in terms of minimising environmental impact since seabed intervention work would be reduced significantly in comparison to a route north of Bornholm. The route virtually avoids nature preserves, areas of dense ship traffic and fishing, as well as areas important for tourism.

On the technical side, the overall length of the Nord Stream pipeline will accordingly be shorter and there will be fewer cable crossings, thereby reducing both initial investment and operating costs.

The Danish authorities that recommended a route south of Bornholm welcomed Nord Stream's decision to follow their recommendation.

¹ "S" is referring to the shape of the route which resembles an S-curve.

² VeriFin is internationally recognised as the control laboratory for such testing and has been used for the MERCW (Modelling of Ecological Risks Related to Sea-Dumped Chemical Weapons) project.

A detailed assessment of the S-Route will be included in the transboundary Environmental Impact Assessment (EIA) report. As part of the Espoo process, Nord Stream will submit its final draft shortly.

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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.

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 transboundary 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.