

## STATEMENT

### **Nord Stream Project Well on Track**

#### **Consortium members acknowledge project's progress**

**Zug, 21 October 2008.** The Nord Stream Shareholders' Committee discussed the development of the pipeline through the Baltic Sea in a meeting on 20 October 2008. The Shareholders reviewed the project's progress and confirmed that it is on schedule. The Shareholders' Committee approved further contracts for supply of materials and construction work to be signed before end of this year. Nord Stream is the most advanced of all gas infrastructure projects designated as a "priority project" by the European Union.

The Espoo report is currently being finalised. The draft will be submitted for final feedback to the relevant authorities within a month.

#### **Nord Stream remains an attractive project for banks**

Nord Stream and its Shareholders do not regard the financial crisis as an obstacle to financing the project. Shareholders will meet about 30 per cent of the project costs with equity contributions, with 70 per cent to be financed externally through limited recourse finance. The project remains attractive to lenders since it has strong backing from its Shareholders, a solid contractual framework and is an important infrastructure project in the energy market with long-term and stable returns.

Nord Stream cooperates with renowned companies throughout Europe, which underscores the pan-European character of the project. These include Snamprogetti (Italy) for detailed design engineering; independent safety certification by Det Norske Veritas (DNV) (Norway); route surveys by Marin Mätteknik (Sweden), IfAÖ (Germany) and PeterGaz (Russia); Environmental Impact Studies by Ramboll (Denmark) and ERM (UK); pipe production by EUROPIPE (Germany) and OMK (Russia); concrete weight-coating and logistics by EUPEC (France).

#### **New members in Shareholders' Committee**

After N.V. Nederlandse Gasunie officially joined the Nord Stream consortium as fourth shareholder in June 2008, the Shareholders' Committee representing OAO Gazprom, E.ON Ruhrgas AG, Wintershall Holding AG and Gasunie was expanded from eight to ten seats reflecting the shares in the project. The new members of the Committee are Marcel P. Kramer, Chairman of the Executive Board and CEO of N.V. Nederlandse Gasunie, and Nikolai Dubik, Member of the

Management Committee and Head of the Legal Department of OAO Gazprom.

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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.