

PRESS RELEASE

Logistic Milestones for the Nord Stream Project

- **EUPEC officially opens concrete coating yard in Mukran on the German island of Rügen**
- **Around 150 new jobs created**
- **65,000 pipes to be coated for the first pipeline**

Zug/Mukran, 29 April 2009. The French company EUPEC PipeCoatings S.A. officially opened the concrete coating yard today in Mukran on the German island of Rügen.

“This is an important milestone in logistic preparations for the Nord Stream project,” said Henning Kothe, Commercial Director of Nord Stream AG, the commissioning company. In early April, the facility successfully passed Technical Inspection Association (TÜV) certification. After final inspection on 27 April 2009, the yard, which employs around 150 workers, can now start full-load production of 220 concrete weight coated pipes per day.

Nord Stream’s logistics concept provides for the complete production and concrete weight coating of approximately one-third of the pipes by the scheduled start of construction in early 2010. This is more than 400 kilometres of the 1,220-kilometre-long pipeline, the pipe joints of which must be stored at a range of logistics sites before pipe laying can commence. Another concrete coating yard will be built this year at Kotka in Finland. Interim stock yards will also be constructed in Slite and Karlskrona (both in Sweden) as well as in Hanko (Finland). These yards are components of an economically- and environmentally-based strategy of short transportation routes, which has been of great importance to Nord Stream from the beginning.

In late July 2008, Nord Stream and EUPEC signed a contract for the concrete weight coating of the pipes and logistics services for both lines of the Nord Stream Pipeline. The contract is valued at 650 million euros, of which around 100 million euros will be invested in erecting the required infrastructure in the Baltic Sea region.

Europe-wide orders of over four billion euros

Altogether, Nord Stream has signed major contracts with a current total value of over four billion euros. The German company EUROPIPE and the Russian firm OMK have respectively been awarded around 1.2 billion euros and 400 million euros for supply of the total of 100,000 pipes for the first line of the pipeline. The contracts were signed in late 2007. The tender for the second line is currently underway.

A pipe-laying contract with a value of over one billion euros was also signed in late June 2008 with the Italian company Saipem.

Aside from the large number of signed contracts for materials and services, Nord Stream has spent over 100 million euros on environmental impact studies and environmental planning. This is to ensure that both the technical design and the routing are safe and environmentally sound.

Economic stimulus package of European dimensions

Given a project budget of 7.4 billion euros and associated investments, Nord Stream is safeguarding companies and jobs in eleven European countries. "As a result, Nord Stream represents a highly advanced and privately financed economic stimulus package of European dimensions," said Nord Stream Managing Director Matthias Warnig in his address on the occasion of the official opening of the EUPEC facility in Mukran on Rügen.

Construction of the Nord Stream Pipeline is planned to begin in early 2010. The required construction permits are expected by the end of 2009. National permitting processes are currently underway and on schedule in the public participation phase in Russia, Finland, Sweden, Denmark, and Germany. The public now has the opportunity to make statements on the potential national and transboundary environmental impacts of the project.

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Notes to editors:

Nord Stream is a natural gas pipeline to link Russia and the European Union via the Baltic Sea. The annual requirements of gas imports in the European Union were around 314 billion cubic metres in 2005 and will increase to 509 billion cubic metres by 2025, signifying an increased annual import requirement of almost 200 billion cubic metres from 2025 (source: European Commission/DG-TREN, 2007). Nord Stream will be able to meet about 25 per cent of this additional gas import requirement by connecting the European gas pipeline network to the world's largest gas reserves. The project will be an important contribution to long-term security of gas supply and a milestone in the energy partnership between the European Union and Russia.

With a total length of over 1,220 kilometres, the pipeline is planned to initially enter service in 2011 with an annual capacity of around 27.5 billion cubic metres. In the second phase, transport capacity is to be doubled to around 55 billion cubic metres with a further pipe leg.

Nord Stream AG is an international joint venture established for the planning, construction, and subsequent operation of a new pipeline across the Baltic Sea. OAO Gazprom holds a 51 per cent stake in the joint venture. BASF/Wintershall AG and E.ON Ruhrgas hold 20 per cent each, and N.V. Nederlandse Gasunie has a 9 per cent stake.