

PRESS RELEASE

Nord Stream and EU Energy Commissioner Reaffirm Importance of New Gas Supply Routes

Nord Stream will provide supply route diversification and additional gas from 2011

Zug, 16 July 2009. Matthias Warnig, Managing Director of Nord Stream AG, and EU Energy Commissioner Andris Piebalgs today confirmed the importance of the Nord Stream gas pipeline to EU energy security.

Nord Stream updated the Commissioner on the latest developments in the permitting process for Nord Stream. The project has made significant progress, and it is expected that the five national permits required will be granted by the end of 2009, with construction of the pipeline due to start early next year.

Matthias Warnig also welcomed the signing of an international agreement that should pave the way for the Nabucco pipeline. Nord Stream and the European Commission agree that Europe needs new energy supply routes, particularly for natural gas.

“The European Commission has always been favourable to Nord Stream. With the progress being made in this project, and the recent signing of the Inter-Governmental Agreement on Nabucco, the EU is taking crucial steps towards securing energy supplies for the future. These projects have the full support of the European Commission,” said Andris Piebalgs, EU Energy Commissioner.

“If we want to close future gas supply gaps in Europe, then we must increase investment in energy infrastructure development. Nord Stream will have a significant impact in meeting demand in a number of EU countries,” said Matthias Warnig, Managing Director of Nord Stream AG.

Nord Stream and Nabucco will both make an important contribution in countering impending undersupply in European gas markets. Nord Stream believes that a number of planned infrastructure projects, including Nabucco, other gas pipelines and renewable energy projects, are all necessary to meet future European energy demand.

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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. The European Union's gas imports were 314 billion cubic metres (bcm) in 2005 and are projected to grow by almost 200 bcm to 509 bcm per year by 2025 (Source: European Commission/DG-TREN, 2007). Nord Stream will meet about 25 per cent of this additional 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 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 year. Full capacity of about 55 bcm per year will be reached in the second phase, when the second line goes on stream.

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. OAO Gazprom holds a 51 per cent stake in the joint venture. BASF/Wintershall Holding AG and E.ON Ruhrgas AG hold 20 per cent each, and N.V. Nederlandse Gasunie has a 9 per cent stake.