

PRESS RELEASE

Logistics of the Nord Stream Project Is on Track

First pipes transported from Mukran, Germany to the interim stockyard in Karlskrona, Sweden

Mukran/Karlskrona, 17 August, 2009: The first 168 steel pipe joints for the Nord Stream gas pipeline through the Baltic Sea have been transhipped today. By the end of 2009, a total of 13,000 pipe joints, each 12-metres long, will be transported from the port in Mukran on the island of Rügen, Germany to the Swedish port of Karlskrona. The Karlskrona stock yard is one of five to be used for the pipeline project. "With today's start of the transshipment of the pipes, the logistical preparation of the Nord Stream project is on track," explained Henning Kothe, Nord Stream's Project Director.

The French company EUPEC PipeCoatings France S.A, which is contracted to run the concrete weight-coating yard in Mukran, is also overseeing the handling, transport and the interim storage of the pipes.

The Logistics Chain

Manufacturing of the pipes for the first leg of the pipeline by the German company EUROPIPE GmbH began in early 2008. In May 2008, the first steel pipes were transported from the EUROPIPE plant at Mülheim an der Ruhr to the EUPEC weight-coating facility in Mukran. This "early" start of pipe delivery represents a necessary step in the logistical planning of the Nord Stream project as one third of the pipes to be laid, or about 400 kilometres of the pipeline length, must be coated and available at various logistics sites around the Baltic Sea at the beginning of 2010 when construction of the first line is planned to start.

After concrete coating, the weight of each pipe joint is doubled to 25 tonnes to counteract buoyancy and ensure seabed stability. EUPEC has contracted the logistics company Sea Terminal Sassnitz, part of the German BUSS Group, to load the pipes with specialised heavy machinery onto the carrier vessel operated by the Swedish company ATOB@C SHIPPING AB. Each shipment to Karlskrona will consist of 160 pipe joints on average, and the unloading will take 12 hours. Transfer and storage of the pipes in Karlskrona will be handled by the Norwegian NorSea Group.

The interim stock yard in Karlskrona, comprising an area of around 90,000 square metres, has storage capacity for 13,000 pipes. The construction of the yard was completed in June and constitutes an essential part of Nord Stream's logistics concept, of minimising transport dis-

tances, to prevent unnecessary supply shipments in the Baltic Sea Region and thereby minimise negative environmental impacts.

Sustainable Investment in the Infrastructure of the Baltic Sea Region

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 building the required infrastructure in the Baltic Sea region.

Nord Stream's infrastructure spending will have a positive impact on Baltic Sea Region's economic development, boosting local business and employment. Another concrete coating yard will be opened this year in Kotka, Finland. Interim stock yards will also be constructed in Slite, 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.

For more information on Nord Stream's logistics paper, please download:
http://www.nord-stream.com/fileadmin/Dokumente/Nord_Stream_White_Paper_Logistics_ENG.pdf

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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 annual natural gas import needs in the year 2005 were approximately 314 billion cubic metres (bcm) and are projected to increase to 509 bcm by the year 2025. This means that by 2025, the EU's annual import needs will have increased by almost 200 bcm (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 AG and E.ON Ruhrgas AG hold 20 per cent each, and N.V. Nederlandse Gasunie has a 9 per cent stake.