

PRESS RELEASE

Sweden and Finland Grant Permits to Nord Stream Another important step for the natural gas pipeline project through the Baltic Sea after many years of extensive environmental studies and close dialogue with authorities

Zug, 5 November 2009. The Swedish and Finnish governments have today granted permits to Nord Stream AG to utilise their Exclusive Economic Zones (EEZ) for the pipeline through the Baltic Sea. The 1,223 kilometre long natural gas pipeline will pass through 506 km and 374 km of the Swedish and Finnish EEZ respectively. The Nord Stream Pipeline will transport natural gas from Russia to the European Union.

“This is an important day for the Nord Stream project. We are delighted with today’s decisions made by the Swedish and Finnish governments. These two permits are further significant milestones for our project and Europe’s security of supply,” said Matthias Warnig, Managing Director of Nord Stream AG.

The EEZ permits issued by the Swedish and Finnish governments are two of five national permits needed for the project. Denmark was the first country to grant a construction permit on 20 October 2009. With three permits now obtained, Nord Stream is another step closer to its planned start of construction in spring 2010.

Environmental Concerns Taken into Account

“The Swedish permit is the result of extensive environmental studies, close cooperation with the authorities, as well as consultations with stakeholders and experts over the course of several years. The dialogue has always been characterized by openness and transparency,” said Lars O Grönstedt, Senior Management Advisor to Nord Stream AG.

“Nord Stream highly appreciates the openness to dialogue of the Finnish authorities throughout the extensive permitting process. We are very pleased with the government’s decision,” said Sebastian Sass, Head of EU Representation, Nord Stream AG. “Reducing potential environmental impacts to the Baltic Sea was paramount to the Finnish authorities – and to Nord Stream. Pipelines can only be built after a thorough analysis of all potential risks, and the Nord Stream project is no exception.”

The routing of the pipeline in the Swedish and Finnish EEZ is based on a continuous dialogue with the environmental authorities of these countries. The route also accommodates feedback from different stakeholder

groups. When planning the pipeline, several possible routes were investigated and carefully evaluated against many factors, including seabed conditions, maritime traffic, fisheries, munitions from both World Wars, and cultural heritage, along with many environmental considerations.

Natural Gas: An Important Part of the Energy Mix

“Natural gas plays a central role in bridging the gap towards using renewable energy sources. The Nord Stream Pipeline is a significant part of the infrastructure needed to bridge that gap. Replacing coal with gas for the EU-27’s electricity production would reduce CO₂ emissions by 224 million tons per year. This is more than currently emitted by Finland, Sweden, Denmark and the Baltic States combined,” said Matthias Warnig.

The permitting process for the Nord Stream Pipeline is currently underway in the two other countries through which waters the pipeline passes: Russia and Germany. Finnish authorities already granted Nord Stream a permit to clear munitions on 2 October 2009. In addition to the EEZ permit, the company also needs a water permit for construction in Finland, to be granted by the Western Finland Environment Permit Authority. Nord Stream is aiming to obtain all required permits by the end of 2009.

The construction of the Nord Stream Pipeline is planned to start in the first quarter of 2010, with the first pipeline operational in 2011 and the second in 2012.

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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. Nord Stream will meet about 25 percent of the additional gas import requirement expected in the next decades 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. This is enough to supply more than 26 million households.

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. Russian OAO Gazprom holds a 51 percent stake in the joint venture. The German companies BASF SE/Wintershall Holding AG and E.ON Ruhrgas AG hold 20 percent each, and the Dutch gas infrastructure company N.V. Nederlandse Gasunie has a 9 percent 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. It has invested 100 million euros in environmental studies and planning and an Environmental Impact Assessment (EIA) was completed along the whole pipeline route. This is a detailed study of environmental aspects in a trans-boundary context. The process is governed by international law (Espoo Convention) and by national legislation in the countries concerned.

Nord Stream is included in the Trans-European Energy Network Guidelines (TEN-E) of the European Union. In 2006, the project was designated a "project of European interest" by the European Commission, the European Parliament and the Council of the European Union. Nord Stream is, therefore, recognized as a key project for meeting Europe's energy infrastructure needs.