

STATEMENT

Russia Issues Permit to Nord Stream

Zug, 18 December, 2009. Nord Stream AG today received the permit to construct the 123 kilometre Russian section of its 1,223 kilometre natural gas pipeline through the Baltic Sea. The consortium had already received permits from Denmark and Sweden through whose waters the pipeline will pass, and the Finnish EEZ permit. The permitting process in Germany is also nearing completion.

“The granting of the permit sets a further important benchmark for implementing international projects in Russia,” said Nord Stream’s Managing Director Matthias Warnig. “The permit is the conclusion of an extensive process of environmental impact assessments by Russian federal authorities. Russia also actively participated in the nine-country deliberations under the United Nations Espoo Convention on the potential transboundary environmental impacts of the pipeline,” Warnig added.

The Russian offshore permit was granted by the Russian Federal Supervisory Natural Resources Management Service (Rosprirodnadzor). It followed an extensive national environmental impact assessment process and the active participation of the Ministry of Natural Resources and Environment of the Russian Federation in the international consultations between authorities from all nine countries bordering the Baltic Sea. The Ministry also ensured public access to the transboundary environmental report (‘Espoo Report’) in Russian and held a public hearing on 28 April 2009.

“We are firmly on schedule to start construction of the pipeline in spring 2010 and to start transporting gas in 2011,” said Warnig. “The permitting process in Germany is nearing completion and we are confident that the remaining permits will be granted within the next few weeks,” he added.

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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/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.

The UNECE Convention on Environmental Impact Assessment in a Transboundary Context (Espoo Convention) sets out the obligations of parties to assess the environmental impact of certain activities at an early stage of planning. It also lays down the general obligation of states to notify and consult each other on all major projects under consideration that are likely to have a significant environmental impact across national borders. The Espoo Convention was opened for signature in Espoo (Finland) on 25 February 1991 and came into force on 10 September 1997. Nord Stream's process under the Espoo Convention has started in April 2006.