

STATEMENT

Nord Stream's Project Costs Remain 7.4 Billion Euros

Zug, 15 April 2010. There have been media reports stating that project costs for the Nord Stream Pipeline have increased from 7.4 billion to 8.8 billion euros. This is not true.

Nord Stream's project CAPEX (capital expenditure) has not increased and remains 7.4 billion euros. In international accounting practice, there is a clear difference between project costs and finance costs. Finance costs are for example, interest on loans, arranging and commitment fees and are considered separate to actual project costs.

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Notes to editors

Nord Stream is a natural gas pipeline that will link Russia and the European Union through the Baltic Sea. The European Union's annual natural gas imports in the year 2007 were approximately 312 billion cubic metres (bcm) and are projected to increase to 516 bcm by the year 2030. This means that by 2030, the EU's annual import needs will have increased by about 200 bcm (Source: IEA, World Energy Outlook, 2009). Nord Stream will meet about 25 percent of this additional gas import requirement by connecting the European gas pipeline network to some of 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 when the second line goes on stream. This is enough gas to supply more than 26 million European households.

Nord Stream AG is an international joint venture established for the planning, construction and subsequent operation of the new offshore gas pipeline through the Baltic Sea. Russian OAO Gazprom holds a 51 percent stake in the joint venture. The German companies BASF SE/Wintershall Holding GmbH and E.ON Ruhrgas AG hold 20 percent

each, and the Dutch gas infrastructure company N.V. Nederlandse Gasunie has a 9 percent stake.

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.

Construction of the Nord Stream Pipeline started in April 2010, after completion of environmental studies and planning and an Environmental Impact Assessment (EIA) along the whole pipeline route. Three pipelay barges will be working on the project: The *Castoro Sei* carries out the majority of the offshore construction. In German waters, the shore approach of both pipelines will be built in the second half of 2010 by the *Castoro Dieci*. In the Gulf of Finland, Allseas’ *Solitaire*, a dynamically positioned vessel, will be deployed. The first pipeline is planned to become operational in 2011, the second one in 2012.