

STATEMENT

Nord Stream: "The First Three Kilometres Are Laid"

- Construction started in Swedish waters; first gas deliveries planned in 2011
- One of three specialised pipelay barges is now laying the first section of the pipeline towards the Gulf of Finland
- 1,224-kilometre long natural gas pipeline to connect European gas grid to Russia's large gas reserves

Zug, 9 April 2010. Construction of the Nord Stream natural gas pipeline has started in the Swedish Exclusive Economic Zone of the Baltic Sea. The pipelay barge Castoro Sei (C6) began offshore pipe laying near the Island of Gotland and with a distance of 675 kilometres from the pipeline's starting point near Vyborg, Russia, marking an important milestone for the Nord Stream project.

"The first three kilometres of the Nord Stream Pipeline are laid," said Henning Kothe, Project Director, Nord Stream AG. "Now we are finally making our project a reality. During the permitting phase, we showed that we are planning a technically and environmentally safe project; now we will live up to our plans and create the infrastructure that will secure Europe's gas supply for decades to come." Since 2006, the Swiss-based consortium has thoroughly planned one of Europe's largest infrastructure projects. When completed, the Nord Stream Pipeline will transport 55 billion cubic metres of natural gas a year to Europe.

Environmental Factors Play Important Role

Before Nord Stream could start constructing the first of its two pipelines, each of them with an inner diameter of 1.153 metres, the consortium underwent a permitting process involving all nine countries bordering the Baltic Sea. Detailed transboundary and national environmental impact assessments were carried out based on detailed studies of the Baltic Sea region. Nord Stream invested more than 100 million Euros in surveys and route planning. This led to the development of pipe-laying procedures and sequencing, as well as an environmental monitoring programme to meet safety and environmental requirements while enabling the construction vessels to work efficiently.

Three Specialised Pipelay Vessels

Throughout the project, a number of vessels will be used for different activities such as pipe supply, surveying, or anchor handling. Pipe laying

Grafenauweg 2 6304 Zug, Switzerland Tel.: +41 41 766 91 91 Fax: +41 41 766 91 92 www.nord-stream.com Moscow Branch ul. Znamenka 7, bld 3 119019 Moscow, Russia Tel. +7 495 229 65 85 Fax. +7 495 229 65 80



itself will be carried out by three lay barges: Saipem's Castoro Sei for most of the offshore construction, Saipem's Castoro Dieci, near the German shore (from June 2010) and Allseas' Solitaire in the Gulf of Finland (starting in September 2010). Each of these vessels is a floating factory: Continuously, concrete coated steel pipes, each about 12-metres long and weighing about 25 tonnes will be supplied from five stockyards located around the Baltic Sea. On board, pipes are bevelled and welded together to form the pipeline. Before they are lowered into their designated position on the seabed, each weld will be subjected to ultrasonic testing, millimetre by millimetre.

For further information, please contact:

Ulrich Lissek, Communications Director Mobile: +41 79 874 31 58

Email: press@nord-stream.com

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 in the second phase, 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.

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.

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Moscow Branch ul. Znamenka 7, bld 3 119019 Moscow, Russia Tel. +7 495 229 65 85 Fax. +7 495 229 65 80