

PRESS RELEASE

Nord Stream Begins Construction in Bay of Greifswald

Zug/Lubmin, 15 May 2010. Coinciding with the official end of the herring spawning season, Nord Stream AG is today commencing preparatory construction works needed for laying the pipeline in the Bay of Greifswald. Construction of the cofferdam, which was installed onshore in April, will be continued offshore. At the same time, excavation work for the pipeline trench will be started. "These works constitute the timely beginning of the next important phase of construction activities in the German sector of the Nord Stream Pipeline. We are now creating the conditions necessary to begin pipe laying, as scheduled, at the end of June," says Dr. Georg Nowack, Nord Stream Project Manager for Germany.

Nord Stream pledged not to start construction activities in the Bay of Greifswald before mid-May, in order to accommodate the herring spawning season. The onshore construction of the cofferdam has already been completed, and now the offshore section measuring roughly 550 metres will be constructed. For this, a temporary roadway on the eastern side of the cofferdam will be built. This requires special machines using the roadway to sink two parallel sheet pile walls into the ground, creating a 9.5 metre wide canal. Upon completion of the sheet piling, the ground between the walls will be excavated and the dredged material will be temporarily stored on the western side of the cofferdam. This process will be completed at the end of June.

Dredging of the pipeline trench at various positions along the pipeline route in the Bay of Greifswald will begin parallel to construction works on the cofferdam. Eight special excavators (two bucket excavators, three stilted excavators and three trailing hopper suction dredgers) will be used. Anchor tug boats, survey vessels, and transport barges will be used to support these efforts. Reusable excavated material will be temporarily stored in a pre-determined area east of Usedom. The clay that is created will be brought onshore and later used, for example, to upgrade the ferry harbour in Sassnitz. A total of more than 40 ships are in use at the start of construction.

In the interest of safety for users of the Bay of Greifswald, Nord Stream requests that they first obtain the latest information on existing restrictions, work areas and exclusion zones before they undertake a trip. These conditions caused by pipeline construction will be in place until the end of the year, and information regarding restrictions can be found, for example, in marina bulletins and "Notices to Mariners", as well as on the internet at www.elwis.de.

Nord Stream AG, as the contracting entity, is responsible for the supervision of construction activities. The Italian company Saipem is the main contractor with overall responsibility for construction. Saipem has, in turn, hired the experienced experts from Boskalis (Netherlands) and Rohde-Nielson (Denmark) as sub-contractors for cofferdam construction and dredging operations. The execution of construction activities takes place in accordance with the highest ecological standards, which apply to the entire Nord Stream project.

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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 entire pipeline route. Three pipelay barges have been commissioned to work on the project: Saipem's Castoro Sei will carry out the majority of the construction in the Baltic Sea. The Castoro Dieci will be operating in German waters in the second half of 2010. Allseas' Solitaire will handle construction in the Gulf of Finland. The first pipeline is scheduled to be operational in 2011, the second one in 2012.