

PRESS RELEASE

Nord Stream's First String Pulled Ashore in Portovaya Bay Important milestone of the Russian landfall construction

Portovaya Bay, Vyborg region, Russia, 28 July 2010. Nord Stream construction at the Russian landfall has reached an important milestone: the first of the two pipelines surfaced from the sea onto the Russian shore. The pipeline string was pulled ashore from the pipelay vessel Castoro Sei, moored approximately one kilometre away from the shoreline. The second string will be pulled ashore in a week's time. In the meantime, construction of the 1.5 kilometre onshore part of the pipeline and landfall facilities is progressing.

The 12-metre long pipes weighing approximately 24 tonnes each are welded together aboard the Castoro Sei into double joints to form a pipeline string which is then pulled ashore with an onshore anchored winch and a 121 millimetre diameter pull-in wire. The pipeline string is laid in a trench, which will be backfilled up to the initial seabed level. This will protect the Nord Stream Pipeline from any external impacts, including ice, currents and waves. In order to protect the excavation and limit the sediment spreading, a temporary causeway has been constructed on both sides of the pipeline route in the landfall surf zone.

Portovaya Bay near Vyborg is the starting point of the Nord Stream Pipeline through the Baltic Sea. At this point Nord Stream will be connected to the gas transportation system of Russia via the Gryazovets-Vyborg onshore pipeline. Gas will be fed into Nord Stream by the Portovaya compressor station located about 3 kilometres from the shore. Both the Gryazovets-Vyborg pipeline and Portovaya compressor station are being built and will be operated by Gazprom.

Nord Stream's offshore pipe laying was started by Castoro Sei in April 2010. Before arriving in Portovaya Bay the vessel had laid around 230 kilometres of the pipeline in Swedish and Finnish waters. After the shore pull and the laying of 7.5 kilometres in Russian waters she will resume pipe laying in Finnish waters, while pipe laying in Russian waters will be continued by another pipelay vessel, the Solitaire. The shore pull at the German landfall was completed by Castoro Dieci on 16 July. Nord Stream's construction schedule has been optimised to meet environmental restrictions while making use of construction capacities as efficiently as possible.



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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 15.5 percent each, and the Dutch gas infrastructure company N.V. Nederlandse Gasunie and the French energy company GDF SUEZ S.A. each hold 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 is carrying 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.