

## **PRESS RELEASE**

### **Nord Stream wins Project Finance Award**

**Zug, February 10, 2011.** Nord Stream has won the award for European mid-stream gas project of the year at this year's Project Finance Awards ceremony. The awards recognise innovation, deal repeatability, best practice, problem solving, risk mitigation, value for money and speed of delivery in financing.

Nord Stream was singled out in particular for the fact that 2.5 billion euros were raised towards the end of 2010, close on the heels of the 3.9 billion euros which were raised earlier in the year despite a very restricted lending climate when the deal first approached the market in 2009.

Paul Corcoran, Nord Stream Financial Director, said 'We are delighted to have won this award, a further recognition of the qualities that attracted lenders to Nord Stream in the first place – a reliable, well structured, highly commercial project in the long-term strategic interests of both Europe and Russia'.

All deals are vetted by journalists from Project Finance Magazine, and shortlisted via a weighting system based on these categories. The shortlist is then debated by the team and independent industry representatives. The final decisions are made through a further, more detailed, weighting system. On average 300-350 of the best deals of the given year in Europe and Africa are entered for the awards.

Since the banking crisis of 2008, all deals have been judged in the context of the lending climate at the time of finance close, and repeatability of deal structure in the new climate has been given a slightly higher weighting than in previous years.

The Project Finance Awards, now in its 12th year, took place yesterday evening at the Grand Connaught Rooms in London. It is organised by Euromoney Publications, who publish Project Finance Magazine.

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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 2008 were approximately 320 billion cubic metres (bcm) and are projected to increase to around 500 bcm by the year 2030. By then, the EU will need additional gas imports of 160 to 200 bcm per year (Source: IEA, World Energy Outlook, 2010). Nord Stream will meet up to one third 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, recognised 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 is carrying out the majority of the construction in the Baltic Sea. The Castoro Dieci has completed its operations in German waters, where it constructed both pipelines in the German landfall section; Allseas' Solitaire handles construction in the Gulf of Finland as a subcontractor of Saipem. The first pipeline is scheduled to be operational in 2011, the second one in 2012.