

PRESS RELEASE

Nord Stream Completes Phase II Financing

- **2.5 billion euros secured in international project finance market**
- **Pipeline project confirms financial backing from 24 banks**
- **Construction of Nord Stream meeting schedule targets**

Zug/Berlin, March 4, 2011. Financing for the Nord Stream project is secured: Today, the company together with its shareholders in the consortium, OAO Gazprom, E.ON Ruhrgas AG, BASF SE/Wintershall Holding GmbH, N.V. Nederlandse Gasunie, and GDF SUEZ S.A. announced the successful signing of Phase II financing of the pipeline project. The project financing for Phase II amounts to 2.5 billion euros.

Matthias Warnig, Managing Director of Nord Stream AG, said: “The completion of Phase II financing marks a major milestone in the project’s evolution. With construction of Line 1 of Nord Stream nearly complete and with construction of Line 2 due to start in May, it is clear that lenders see Nord Stream as a solid project with a sound economic background.” Mr Warnig sincerely thanked Nord Stream’s shareholders and lenders for their continued support in bringing the company another step closer to finalising a project of huge importance to energy security in Europe. “Nord Stream is on track to deliver gas to Europe from later this year”, he added.

This financing comes partly from Nord Stream’s shareholders who are providing investment totalling 30 percent of the total project cost pro rata to their holding in the company with 70 percent external project financing from the bank market. OAO Gazprom holds 51 percent, E.ON Ruhrgas AG 15.5 percent, BASF SE/Wintershall Holding GmbH 15.5 percent, N.V. Nederlandse Gasunie and GDF SUEZ S.A. each hold 9 percent.

Twenty-four banks are participating in a deal that was oversubscribed by 60 percent and that mirrors the solid and successful financial structure of Phase I financing that took place in early 2010. The high interest in Nord Stream’s Phase II financing attests to the continued strategic importance of the pipeline project bringing Russian gas to the European market as well as the excellent progress made in the construction of the pipeline. Line 1 is due for construction completion in April 2011, the start of pipe laying for Line 2 will commence thereafter with completion due in April 2012.

The Export Credit Agencies providing cover for the deal are Euler Hermes and SACE with support also coming from Germany’s untied loan guarantee scheme UFK: the amount covered by these agencies totals approximately 1.75 billion euros.

The very positive response from lenders has meant that Nord Stream was heavily oversubscribed for the 2.5 billion euro funding. Nord Stream has RBS, Commerzbank and Société Générale acting as financial advisers. Unicredit have a limited advisory role in connection to the untied loan programme of the German government. White & Case are acting as legal advisers to Nord Stream while Clifford Chance acts for the lenders.

Alexei Miller, Management Committee Chairman of Gazprom, said: "Nord Stream is an example of success on a pan-European scale. Over the years of planning it has won the reputation of being ecologically safe and transparent, and it is the most advanced of all the new projects aimed at transporting gas to Europe. Today the project is well on schedule. We are proud of its achievements and would like to commend the professional and efficient work of the Nord Stream team".

Klaus Schäfer, Chairman of the Board of Management, E.ON Ruhrgas AG, stated: "Natural gas will play a decisive role in the development towards a sustainable energy supply in Europe over the coming decades because it provides an efficient way of balancing economic viability, climate protection and security of supply. The latter will be significantly enhanced by Nord Stream, and the successful completion of project financing marks a very important milestone."

According to Dr. Rainer Seele, Chairman of BASF/Wintershall: "Gas production in Europe is declining steadily, which means that more gas has to be imported in the future. European supply security is a challenge, but it can be met with projects like the Nord Stream Pipeline – which provides direct access to the world's largest natural gas reserves. This will supply Europe for decades with secure and climate-friendly energy. The 55 billion cubic meters of natural gas that will flow through the Nord Stream Pipeline to Europe equal the capacity of 55 coal-fired power plants or 20 new nuclear power plants."

Paul van Gelder, Chairman and CEO of Gasunie said: "The completion of this important phase of financing will secure vital sources of natural gas to consumers across Europe – not in the least in our North-West region of Europe. It will help us shape a sustainable energy supply that is stable and secure at the same time. Moreover, this successful financing process proves how Nord Stream has gained an excellent reputation as a solid and well-managed project."

Gérard Mestrallet, Chairman and CEO of GDF SUEZ commented: "The successful signing of Phase II financing of the project shows the confidence of financial institutions in the Nord Stream shareholders and in the prospects of the European gas market, as well as the positive contribution of the project to the security of Europe's gas supply."



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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.



The twenty-four banks participating in the deal are:

1	Banco Bilbao Vizcaya Argentaria, S.A., Niederlassung Deutschland
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2	Bank of Tokyo-Mitsubishi UFJ (Holland) N.V.
3	Barclays Bank PLC
4	Bayerische Landesbank
5	BNP Paribas
6	Caja Madrid
7	Citibank International Plc
7	Citibank Europe Plc
8	Crédit Agricole Corporate and Investment Bank
9	Credit Suisse AG
10	Commerzbank Aktiengesellschaft
11	DekaBank Deutsche Girozentrale
12	Intesa SanPaolo Bank Ireland Plc
13	ING Bank N.V.
13	ING Bank N.V., Frankfurt Branch
14	KfW IPEX-Bank GmbH
15	Mediobanca International (Luxembourg) S.A.
16	Mizuho Corporate Bank, Ltd.
17	Natixis
18	Nordea Bank AB (publ)
19	SEB AG
20	Société Générale
21	Sumitomo Mitsui Banking Corporation Europe Limited
22	The Royal Bank of Scotland N.V. London Branch
22	The Royal Bank of Scotland N.V. Niederlassung Deutschland
23	UniCredit Bank AG
23	UniCredit SpA
24	WestLB AG