

PRESS RELEASE

Danish Energy Agency Grants Nord Stream Permission to Operate the First of its Twin Pipelines

- **The first pipeline is ready to transport gas in the last quarter of 2011**
- **Pre-commissioning and hyperbaric tie-in process successfully completed**
- **The Nord Stream project is on schedule**

Zug, July 15, 2011. Today the Danish Energy Agency granted Nord Stream permission to operate the first of its twin pipelines that will transport natural gas from Russia to Europe. The application for Line 1 was sent in March – exactly two years after Nord Stream applied for permission for the construction of the Nord Stream project.

The operations permit has been granted by the Danish Energy Agency as Nord Stream has met and fulfilled all the requirements and commitments stated in the construction permit. Nord Stream has furthermore initiated a comprehensive environmental monitoring programme to ensure that the pipeline has no impact on the ecosystem of the Baltic Sea.

The operations permit is based on the documentation submitted by Nord Stream, such as detailed plans which will guarantee the safe operation and maintenance of the natural gas pipeline. The Danish Energy Agency states that Nord Stream is responsible for emergency response planning as well as communicating with the responsible authorities. Nord Stream must also maintain an operational organisation which has sufficient resources and competencies in order to secure the safe operation of its pipeline. Furthermore, the company must also continuously submit reports on the status of the operations of its pipeline.

“We are happy to receive the operations permit from the Danish Energy Agency today. Thanks to a smooth cooperation with the Danish authorities Nord Stream today has taken a step further in securing safe gas deliveries to Europe – including Denmark,” says Nicklas Andersson, Head of Permitting for Denmark and Sweden.

Each of the two pipelines is constructed in three sections. Prior to the advanced underwater welding process, the sections were gauged and thoroughly pressure-tested. Each section was pressurised beyond its planned maximum operating pressure to demonstrate that it can withstand its full operating pressure.

The delivery of gas through Line 1 will begin in the last quarter of 2011. By the end of 2012 both lines will be fully operational. The twin pipelines are each 1,224 kilometres long and run along the bed of the Baltic Sea from Vyborg, Russia, to Lubmin, Germany. Combined, they will deliver 55 billion cubic meters of gas annually.

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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 over 500 bcm by the year 2030. By then, the EU will need additional gas imports of 188 bcm per year (Source: IEA, 2011). Nord Stream will meet almost 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.

No intermediate compressor station: Nord Stream was able to design its offshore pipeline to operate without an intermediate compressor station, but with three different design pressures and pipe wall thicknesses as the gas pressure drops over its long



Nord Stream

The new gas supply route for Europe

journey from Russia to landfall in Germany. The connection by hyperbaric tie-in of these three pipeline sections was carried out at the two offshore locations where the design pressure changes from 220 to 200 bar and from 200 to 177.5 bar respectively. The connection of the Gulf of Finland and Central sections took place off the coast of Finland at a sea depth of approximately 80 metres, and the connection of the Central and South Western sections off the Swedish island of Gotland at a depth of approximately 110 metres.