

STATEMENT

Nord Stream's Espoo Report Sound Basis for Assessment of Potential Transboundary Impacts

Zug, 28 October 2009. Nord Stream AG takes note of the statement by the Estonian Parliament calling for a careful assessment of the pipeline through the Baltic Sea. Nord Stream is fully committed to preserving the ecosystem of the Baltic Sea. The pipeline is being planned with keen awareness of environmental issues and Baltic Sea conditions, taking into account concerns raised by the authorities, stakeholders and the public, including Estonia. The Nord Stream consortium has spent more than 100 million Euros on environmental impact studies and environmental planning to ensure that the design and routing of the pipeline will be environmentally sound and safe. No project has ever conducted such comprehensive environmental research of the Baltic Sea which renowned experts regard as a benchmark for future studies and projects.

Estonian scientists have made conclusions about the environmental impacts of the project. However, Nord Stream has not seen the scientific basis upon which Estonian scientists made their conclusions. Additionally, all the environmental impact assessment documentation produced by Nord Stream was made available to the Estonian authorities. Nord Stream has been, and continues to proactively promote a dialogue with the responsible Estonian authorities and stakeholders.

Espoo Report results from intensive stakeholder dialogue

In March 2009, Nord Stream as the project developer provided all Baltic Sea countries with the transboundary environmental report ('Espoo Report') in the nine languages of the Baltic Sea states and English. According to the United Nations Espoo Convention, countries under the jurisdiction of which a proposed activity is envisaged must inform neighbouring countries about potential transboundary environmental impact. Nord Stream's Espoo Report follows intensive dialogue with authorities, international organisations, NGOs, environmental agencies and individuals throughout the Baltic Sea region to ensure that the pipeline is safe, environmentally sound and in line with all national and international requirements.

Since April 2006, Nord Stream has participated in 16 Espoo consultation rounds bringing together the Espoo focal points of all Baltic Sea countries, including Estonia. These designated country representatives have met with one another and Nord Stream as the project developer regularly to assess the progress of the preparation of the Report and discuss and coordinate further steps in the planning and approval procedures. In addition, Nord Stream has participated in more than 20



Nord Stream

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public hearings, also in Estonia and took part in numerous public discussions and expert seminars.

“It is Nord Stream’s aim to hold regular, genuine dialogue with interested parties. Having taken into account stated concerns and having thoroughly assessed the impact of the project, Nord Stream is confident that the Espoo Report provides a sound basis for evaluation of potential transboundary impacts associated with the pipeline,” said Romans Baumanis, Regional Advisor for the Baltic States.

Denmark grants construction permit to Nord Stream Pipeline project

On 20 October, Denmark’s Energy Authority granted a permit to Nord Stream AG to construct the Danish section of its planned 1,220 km pipeline. The Danish authorities are very experienced in evaluating large offshore projects, and determining the optimal route for this pipeline has been an evolving process. Several possibilities were investigated and carefully evaluated against many factors, including maritime traffic, fisheries, chemical munitions dumpsites, cultural heritage and many environmental considerations. The final route alignment East and South of Bornholm was decided upon in close dialogue with the Danish authorities: it accommodates different interests while mitigating environmental impact.

Nord Stream is currently in advanced discussions with the authorities of the four other countries through whose waters the pipeline will pass: Russia, Finland, Sweden and Germany. Nord Stream aims for the permits to be granted by the end of the year.

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Notes to editors:

Nord Stream is a natural gas pipeline that will link Russia and the European Union via the Baltic Sea. Nord Stream will meet about 25 per cent of the additional gas import requirement expected in the next decades by connecting the European gas pipeline network to 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.

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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 in the second phase, when the second line goes on stream. This is enough to supply more than 26 million households.

Nord Stream AG is an international joint venture established for the planning, construction and subsequent operation of the new offshore gas pipeline across the Baltic Sea. Russian OAO Gazprom holds a 51 per cent stake in the joint venture. The German companies BASF/Wintershall Holding AG and E.ON Ruhrgas AG hold 20 per cent each, and the Dutch gas infrastructure company N.V. Nederlandse Gasunie has a 9 per cent stake.

As a cross-border project, Nord Stream is subject to international conventions and national legislation in each of the countries through which it passes. It has invested 100 million euros in environmental studies and planning and an Environmental Impact Assessment (EIA) was completed along the whole pipeline route. This is a detailed study of environmental aspects in a trans-boundary context. The process is governed by international law (Espoo Convention) and by national legislation in the countries concerned.

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.