

PRESS RELEASE

Nord Stream Issues Request for Proposal for Phase II Financing to Banks

Zug, October 19, 2010. Nord Stream AG can today confirm that Request for Proposals (RFP) for the raising of senior debt for financing Phase II development have now been issued to the commercial bank market.

In keeping with its current financial structure, Nord Stream intends to finance Phase II of the Nord Stream Pipeline with 30 percent equity from shareholders (Gazprom, BASF/Wintershall, E.ON Ruhrgas, Gasunie, and GDF SUEZ) and 70 percent senior debt. Nord Stream expects to procure the total debt requirement of 2.5 billion euros for Phase II from a combination of the following:

- Syndicated loan facilities of at least 1.7 billion euros of finance covered by the Export Credit Guarantee Programmes of Germany (Hermes) and Italy (SACE), and the United Loan Guarantee Program of the German Government (UFG).
- A syndicated loan facility on an uncovered basis in an amount of up to 800 million euros.

Negotiations with Hermes, SACE and UFG are well advanced. Contracts for all finance for Phase II are expected to be concluded by the end of this year (2010).

Nord Stream Chief Financial Officer Paul Corcoran commented: "We have already seen a strong commitment from lenders during Phase I financing, where we were 60 percent oversubscribed, and we expect to see similar strong interest for Phase II. This project continues to enjoy a robust contractual and financial structure as well as a world class sponsor group with long term strategic interest in the project."

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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



Nord Stream

The new gas supply route for Europe

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, 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.