

## STATEMENT

### Nord Stream Phase II Financing Update

**Zug, November 26, 2010.** Nord Stream AG today confirmed that following the recent publication of a Request for Proposal to banks for Phase II project financing, the level of interest is very high with initial subscription levels of more than 4 billion euros, which means more than 50 percent oversubscription. 2.5 billion euros are needed to finance the second phase of the project.

Nord Stream Financial Director Paul Corcoran said: "We are delighted with the level of interest shown in the project and hope to move quickly to sign Letters of Commitment with selected banks. We are on course to complete this process in early December".

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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 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.