

PRESS RELEASE

Nord Stream Presents First Annual Environmental Monitoring Report

- **The Annual Environmental and Social Monitoring Report for 2010 will today be handed over to the Swedish authorities**
- **The results show that in 2010 no unexpected environmental effects could be detected in the Baltic Sea due to the Nord Stream pipelines**

Zug, 31 March 2011. Today Nord Stream's first annual environmental and social monitoring report is being handed over to the Swedish authorities. The report is the first of five planned annual reports relating to the construction and operation of the natural gas pipeline in the Swedish Exclusive Economic Zone (EEZ). Nord Stream's environmental monitoring programme includes studies in sixteen different subject areas, such as impacts of the natural gas pipeline on sediment spreading, sea-bed recovery, mussels and fish, and seabed currents. Socio-economic factors are also included in the monitoring, such as possible impacts on shipping and commercial fisheries.

The permits for the construction of Nord Stream's two parallel pipelines contain a requirement for environmental monitoring in all five countries through whose waters the pipeline will pass. The company is investing a total of about 40 million euros in 2010-2016 in various environmental monitoring measures, both during construction and during the initial operations. The basis for the environmental monitoring efforts is provided by the environmental impact assessments and detailed sea bed surveys conducted before the permit application documents were completed, an undertaking which involved an investment of another 100 million euros.

The construction of the Nord Stream natural gas pipeline started in 2010 in the Swedish EEZ. During last year rock placement, munitions clearance, cable crossings and pipe-laying were carried out. Environmental monitoring of each of these activities was conducted. For example, for mine clearance operations, the environmental monitoring consisted of observations (via sonar, visual and passive acoustic monitoring) of marine mammals, seabirds and fish before and after the detonations. Fish and seal deterrents were used and by employing an underwater camera (ROV) the area was monitored before and after the

detonations. The impacts of shock waves and sea water currents were also monitored. The results showed that no marine mammals or seabirds were injured during the mine clearance operations.

The purpose of Nord Stream's environmental monitoring program is to verify that the construction and operation of the natural gas pipeline are in accordance with permit conditions. The environmental monitoring is also intended to verify that the modeling in the EIA report is valid and that the Nord Stream pipeline will not lead to any unexpected environmental impacts. The results of the surveys will also be the basis for any corrective actions to the ongoing construction activities if necessary. The Swedish environmental monitoring programme has been developed by Nord Stream in cooperation with the Swedish authorities. Nord Stream has also developed similar environmental monitoring programmes in the other countries through whose waters the pipeline will pass: Germany, Denmark, Finland and Russia.

The Swedish annual environmental monitoring report for 2010 can be accessed at
http://www.nord-stream.com/fileadmin/Dokumente/1_PDF/19_Reports/Environmental_monitoring_in_Swedish_waters.pdf

For further information please contact:

Tora Leifland Holmström, Communications Manager Sweden
Mobil: +41 79 888 09 79

Email: press@nord-stream.com

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.

In 2010, Nord Stream invested 13 million euros in its Environmental and Social Monitoring Programme (ESMP). More than 20 companies are conducting the surveys defined in the ESMP, to determine just how, and if, the Baltic Sea’s flora and fauna have been impacted by the construction of the Nord Stream Pipeline. Data from sixteen subjects, including water quality, bird, fish and mammal populations, and seabed recovery, are collected from approximately 1,000 survey locations along the route in the waters of Russia, Finland, Sweden, Denmark and Germany. These data are analysed in internationally recognised laboratories, and Nord Stream reports the results to the national environmental authorities in each country. Nord Stream plans to invest approximately 40 million euros into its ESMP to monitor any impact of the construction and operation of the pipeline through 2016.