Nord Stream
The new gas supply route for Europe

PRESS RELEASE

Nord Stream Pipeline Has No Significant Environmental Impact in Russia

- **Nord Stream AG summarized the environmental monitoring results in Russia for the first three quarters of 2011**
- **Environmental impact after the completion of the main construction works are lower than expected**

Zug, December 19, 2011. Nord Stream AG has summarised the results of the environmental monitoring programme in Russian waters and the onshore part of the Nord Stream Pipeline in Portovaya Bay for the first three quarters of 2011. According to the survey, the construction works have had no or minor impact, which was of short duration and very local. The actual values measured proved that the assumptions of the environmental impact assessment (EIA) during the pipeline planning stage were very conservative and even these conservative assumptions showed no significant impacts. Natural phenomena had the greatest influence on variations in the parameters being monitored. The monitoring results revealed no transboundary impacts on Russian waters from the works carried out in the Exclusive Economic Zone of Finland.

The environmental monitoring programme being implemented in Russia has been developed pursuant to the Russian Federal Law “On Environment Protection” and the national permit for pipeline construction. The water and hydro-biological monitoring programmes were developed as part of the general monitoring programme agreed with the Russian environmental authorities to assess the impact of the hydro-technical works on condition of biota of the eastern part of the Gulf of Finland. The environmental studies are carried out with reference to different subject areas such as the quality of sea water, composition of seabed sediments, marine flora and fauna, noise level, quality of onshore water, quality of air within the construction area, adjacent settlements and further subjects. The monitoring data are the result of sampling in the coastal sector and in the sea taken at the locations, sites and section lines approved by the Russian authorities, as well as from satellites.

By the end of the third quarter of 2011 the main works relating to construction of the Russian sector of the Nord Stream Pipeline had been successfully completed: landfall facilities in Portovaya Bay had been erected, both pipelines had been laid at the Russian landfall and in the sea, and pressure tests of Line 1, which went into operation on 8 November this year, had been completed. The potential environmental impact of the construction in Russia was mainly associated with pressure

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tests performed in summer 2011, seabed works and laying Line 2. Increased attention during the monitoring activities was paid to the quality of water in Portovaya Bay and in the Gulf of Finland, as well as to preservation of water bio-resources within the pipeline area.

Water Quality

Water quality in the eastern part of the Gulf of Finland was monitored in second and third quarters of 2011 in 21 locations, where water samples were collected from the surface and bottom horizons. Almost 40 parameters of each water sample were analysed, such as suspended sediments, metals, organic compounds, sanitary bacteriological factors etc. The water sample analysis in the Gulf of Finland showed that the maximum content of suspended sediments (up to 8.8 and 8.2 mg/dm^3) was below the maximum permissible level (10 mg/dm^3) adopted for the offshore zone of seas deeper than 8 metres.

The impact of pressure tests in 2011 on Portovaya Bay was minor and short-term. No pollution of the water environment associated with pressure tests was detected. In June and July 2011 chemico-analytical and sanitary bacteriological surveys of 338 water samples were conducted before, during and after dewatering of Line 1. The findings showed no or minor short-term environmental impact. Most of the change in the monitored parameters was the result of natural phenomena, including wind, sea state, currents, etc. A detailed report on the environmental impact of pressure tests was submitted to the responsible authority – Nevsko-Ladozhskoye Basin Water Administration of the Federal Water Resources Agency – and was accepted without any remarks.

Daily satellite monitoring was performed during the entire construction period to assess the impact of construction of the Russian section of the Nord Stream Pipeline on the formation of suspended sediments in the eastern part of the Gulf of Finland. The maximum level of suspended drift concentration during construction works both in Portovaya Bay and along the entire Russian section of the pipeline route never exceeded the above-mentioned threshold.

Water Bio-Resources

The results of the study carried out within the scope of the hydro-biological monitoring programme show that construction of the pipeline in deep-water area had no noticeable influence on the water bio-resources in the eastern part of the Gulf of Finland. Due to the big depth those construction areas are not feeding grounds, and practically no adverse impact was apparent.

The surveys defined in the Russian monitoring programme are conducted by experienced contractors, including the Scientific Research Centre on Environmental Safety Research “Ecosafety”, the Federal State Water

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Management Entity “Baltvodhoz” and the North-West State Regional Department for Reproduction of Water Biological Resources and Fisheries Management “Sevzaprybvod” as well other organizations involved as subcontractors.

Each quarter Nord Stream sends the results of the study completed within the scope of the Russian environmental monitoring programme to the environmental authorities of the North-Eastern Federal District. Those data are also sent to the Ministry of Natural Resources and Environment of the Russian Federation, which submits them to the Finnish state authorities within the framework of international Memorandum on the Exchange of Environmental Information for the Construction of the Nord Stream Gas Pipeline.

The environmental monitoring data obtained by Nord Stream is the best evidence of the fact that the Nord Stream Pipeline has been planned with due consideration for all environmental factors and can play its role as an important route for the supply of Russian gas to Europe without any ecological risks.

The Russian monitoring programme is part of the overall Environmental and Social Monitoring Programme (ESMP) covering the whole pipeline route. Monitoring activities include surveys of the physical, chemical, biological and socio-economic environment. More than 20 companies are contracted to conduct the surveys defined in the ESMP. In 2010, Nord Stream invested 13 million euros in the programme. A total of 40 million euros will be invested between 2010 and 2016. Data covering 16 subject areas are collected from approximately 1,000 survey locations along the route, analysed in internationally recognised laboratories, and the results are reported to the national environmental authorities in each country.

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Notes to editors

Nord Stream is a natural gas pipeline which links Russia and the European Union through the Baltic Sea. The European Union’s annual natural gas imports in 2009 were approximately 312 billion cubic metres (bcm) and are projected to increase to over 523 bcm by 2030. By then, the EU will need additional gas imports of 211 bcm per year (Source: IEA, 2011). Nord Stream will meet more than a quarter 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.

The first of Nord Stream's two parallel pipelines became operational in November 2011. Each line is approximately 1,220 kilometres long, providing a transport capacity of some 27.5 bcm per year. More than 65 percent of Line 2 has also already been laid. Full capacity of about 55 bcm per year will be reached when the second line goes on stream in late 2012. 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 handled construction in the Gulf of Finland as a subcontractor of Saipem. The first pipeline became operational in November 2011, the second one is scheduled to become operational in 2012.

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