

PRESS RELEASE

## Nord Stream Presents Swedish Annual Environmental Monitoring Report 2011

- Annual Report submitted to Swedish authorities
- The results demonstrate, for the second year, that no unexpected environmental impacts can be detected in the Baltic Sea due to the Nord Stream pipelines

**Zug, March 15, 2012.** Nord Stream has submitted the second annual environmental and social monitoring report to the Swedish authorities. The report is part of a series 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 water quality, mussels, fish, and seabed fauna. Socio-economic factors are also included in the monitoring, such as impacts on commercial shipping.

The permit for the construction and operation of Nord Stream's twin pipelines contains a requirement for environmental monitoring, and the company is investing a total of approximately 40 million euros in monitoring activities during 2010-2016. The basis for the environmental monitoring activities is provided by the environmental impact assessments and detailed sea bed surveys that were conducted before the permit application documents were completed, an undertaking which involved an investment of a further 100 million euros.

The construction of the Nord Stream natural gas pipeline started in 2010 in the Swedish EEZ. During last year activities such as rock placement, cable crossings and pipe-laying were carried out. During each of these activities monitoring was conducted. For example, during the pipe-laying the monitoring consisted of seabed surveys before and after installation. These include monitoring by a remotely-operated underwater camera (ROV), multi-beam echo-sounder and sonar.

Those parameters studied are benchmarked against the 2010 baseline results. Based on this it may be concluded that there is no evidence of either increase or decrease in the fish populations at the three survey locations near Hoburg's Bank and Norra Midsjöbanken. Additional monitoring within these two Natura 2000 areas did not detect any measurable impact on the fish populations.

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Measurements of water quality, e.g. turbidity and spreading of seabed sediments, demonstrate that the models and predictions in the Nord Stream application were conservative, i.e. the real impact was much lower. The Swedish government stipulated a threshold value for turbidity at 15mg/L – the equivalent of a winter storm – a limit which was never even close to being reached. The turbidity levels were in fact on average below 2mg/L during the period of Nord Stream's construction works.

The purpose of Nord Stream's environmental monitoring programme 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 modelling in the EIA report is valid and that the Nord Stream pipeline will not lead to any unexpected environmental impacts.

The Swedish environmental monitoring programme has been developed by Nord Stream in cooperation with the responsible Swedish authorities; the Environmental Protection Agency, the Swedish Agency for Marine and Water Management, the Swedish Meteorological and Hydrological Institute, the Geological Survey of Sweden and the Swedish Coast Guard.

The Swedish annual environmental monitoring report for 2011 <u>can be</u> <u>downloaded in our Library</u>. Please visit our website for <u>further information</u> <u>about Nord Stream's environmental and social monitoring activities</u>.

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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 90 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.

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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.

In 2010 and 2011, Nord Stream invested 20 million euros in its Environmental and Social Monitoring Programme (ESMP). More than 20 specialist companies are conducting the surveys defined in the ESMPs, to determine just how, and if, the Baltic Sea's flora and fauna have been impacted by the construction of the Nord Stream pipelines. Data from sixteen subjects, including water quality, bird, fish and mammal populations, as well as 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 pipelines through 2016.

**Saipem**, 43 percent owned by Eni, is organised in three Business Units: Offshore, Onshore and Drilling, with focus on oil & gas related activities in remote areas and deepwater. Saipem is a leader in the provision of engineering, procurement, project management and construction services with distinctive capabilities in the design and the execution of large scale offshore and onshore projects and technological competences such as gas monetisation and heavy oil exploitation.

**EUPEC** is one of the world-wide leading companies in the application of multi-layer anticorrosion coating systems. For more than 40 years, EUPEC has been providing reliable solutions for the "end-to-end" protection of steel pipelines on both onshore and offshore pipeline industries. This international reputation also applies to concrete weight coating, pipe-in-pipe fabrication, cathodic protection, remote processing and monitoring of pipelines and services related to global project management and pipeline field services. EUPEC is certified ISO 9001, 14001, OHSAS 18001 and Qualicert.

**No intermediate compressor station**: Nord Stream was able to design its offshore pipeline to operate without an intermediate compressor station, but with three different design pressures and pipe wall thicknesses as the gas pressure drops over its long journey from Russia to landfall in Germany. The connection by hyperbaric tie-in of these three pipeline sections was carried out at the two offshore locations where the design pressure changes from 220 to 200 bar and from 200 to 177.5 bar respectively. The connection of the Gulf of Finland and Central sections took place off the coast of Finland at a sea depth of approximately 80 metres, and the connection of the Central and South Western sections off the Swedish island of Gotland at a depth of approximately 110 metres.

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