Nord Stream
The new gas supply route for Europe

PRESS RELEASE

Nord Stream Presents Annual Report for Environmental and Social Monitoring in Denmark

- **The Annual Report for 2011 is submitted to Danish authorities today**
- **The results show, for the second year, that Nord Stream has had no unexpected impact on the Baltic Sea environment**

Zug, 13 April 2012. Today Nord Stream submits to the Danish Energy Agency and the Danish Nature Agency its second annual report containing the results of the Environmental and Social Monitoring Programme. The document is part of a series of reports planned until 2016.

In Danish waters the following parameters are being monitored: fish populations along the pipeline, fauna, water quality and hydrographic conditions (bottom currents) in the Bornholm Basin. Furthermore, socio-economic parameters are also being monitored, for example the potential impact on cultural heritage, chemical warfare agents in the sediment, national and international monitoring stations, as well as commercial shipping.

The permits for the construction and operation of Nord Stream's two parallel pipelines contain a requirement for environmental monitoring in all five countries through whose waters the pipelines now pass. The company is investing a total of about 40 million euros in 2010-2016 in various environmental monitoring measures.

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.

For the second year, the results show that the construction works have had no unexpected environmental impact on the Baltic Sea.

Subjects of monitoring

Before the start of the pipeline construction in 2010 Nord Stream, the Danish Heritage Agency and the Viking Ship Museum in Roskilde together concluded a survey and examination of two shipwrecks, both located about 50 metres from the pipelines. The post-lay survey

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conducted in 2011 show that the pipelines have not caused erosion on the seabed around these shipwrecks. There has also been no other construction-related interference, such as anchors or anchor chains making contact with the wrecks.

Another purpose of the monitoring is to determine whether the construction works have an impact on the fish populations, both where the pipelines are placed directly on the seabed and in those places where the pipelines are trenched into the seabed. The so called “reef effect” (where fish supposedly are attracted to the pipeline structure) has also been studied. The 2011 monitoring shows, in comparison with the 2010 baseline study, that the pipeline has had no impact on the fish populations there.

Detailed surveys prior to the construction works identified seven Chemical Welfare Agents objects (CWA) to the east of Bornholm. Nord Stream has made an agreement with the Admiral Danish Fleet that these CWA should remain on the seabed. Monitoring of these objects as well as monitoring of the prevalence of CWA in the seabed sediment is part of the environmental monitoring programme. The results show minimal impacts on the sediment from Nord Stream’s construction works.

Measurements of the water quality, e.g. sediment spreading, show that the assessments on which the application was based, were in fact very conservative in their estimations.

The pipeline construction works during 2011 in Danish waters included activities such as trenching in two areas, rock placement, cable crossings as well as pipe-laying. Each and every step of these were carefully monitored.

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 modelling in the Environmental Impact Assessment 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 Danish environmental monitoring programme has been developed by Nord Stream in cooperation with the Danish 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 Danish annual environmental monitoring report for 2011 can be downloaded in our Library. Please visit our website for further information about Nord Stream's environmental and social monitoring activities.

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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 97 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.

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 anti-corrosion 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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