

PRESS RELEASE

Successful Completion of Nord Stream Logistics Programme

- **Around 200,000 24-tonne concrete weight coated pipes supplied to three laybarges**
- **Key role in guaranteeing smooth pipe-laying schedule**

Zug, April 25, 2012. Nord Stream AG announces the successful completion of its complex international logistics programme. This award-winning green logistics concept enabled the most efficient and environmentally-sound way of supplying to the pipe-laying vessels the 200,000 24-tonne concrete weight coated (CWC) pipes needed for Nord Stream's twin natural gas pipelines through the Baltic Sea.

Twelve-tonne steel pipes were manufactured in Germany (140,000), Russia (50,000) and Japan (10,000), from where they were shipped directly to one of two CWC plants on the Baltic Coast and coated in concrete to double their weight for added stability and safety on the seabed.

A key feature of Nord Stream's environmentally friendly logistics concept was the creation and use of a network of five strategically located logistics sites: two concrete-weight coating plants (Kotka in Finland and Mukran in Germany) and three marshalling yards (Hanko in Finland and Slite and Karlskrona Sweden), each of which was no further than 100 nautical miles from the route of the pipelines. This enabled the pipe-carrier vessels to make the round-trips to and from the three lay-barges within one day.

The last pipe transshipment to the pipe-laying vessel Castoro Sei from the Swedish port of Slite took place last week. The remaining pipes were then returned to the German port of Mukran, from where a small supply will be transhipped onward to Lubmin. These pipes will be stored there to provide for any possible contingencies during the planned 50 years' operating life of the pipelines.

"Transporting on time and maintaining the quality of masses of pipes which in total weigh more than 4.6 million tonnes has been a real challenge. Nord Stream's coating and logistics partner EUPEC, the harbours and stevedores in Finland, Sweden and Germany, and the shipping contractors all performed remarkably well," says Nord Stream Project Director, Henning Kothe. "The successful implementation of our complex logistics programme played a key role in guaranteeing the smooth pipe-laying schedule, which has now finished a few weeks early," he added.

The decision to build the new CWC plants close to the pipeline rather than to use existing ones further away led to both environmental and economic savings: 200,000 tons of CO₂ emissions and a reduction of 60 million euros in transportation costs were saved. The project also used low emission transportation wherever possible: 96 percent of the overall transport for the Nord Stream project was handled by train and ship.

Nord Stream Deputy Project Director Engineering, Werner Rott added: "Our logistics programme also allowed us to react flexibly to changing requirements when operating with up to three lay-barges and even in adverse winter conditions. From the start there were only 24 hours out of total of approximately 20,000 project hours when pipes could not be delivered. This happened during the exceptionally cold winter of 2010-2011."

The total value for the raw materials and labour for the concrete coating and logistics was about 650 million euros, of which 100 million euros was invested into establishing the coating and logistics infrastructure. These investments created positive direct and indirect effects on business development and employment in all the five locations.

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Notes to editors:

See attached Fact Sheet: Nord Stream Logistics by Numbers.

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. All of Line 2 has now 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 offshore gas pipelines through the Baltic Sea. Russian OAO Gazprom holds a 51 per cent stake in the joint venture. The German companies BASF SE/Wintershall Holding GmbH and E.ON Ruhrgas AG hold 15.5 per cent each, and the Dutch gas infrastructure company N.V. Nederlandse Gasunie and the French energy company GDF SUEZ S.A. each hold a 9 per cent 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 first 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 vessels were commissioned to work on the project: Saipem’s *Castoro Sei* carried out the majority of the construction in the Baltic Sea. The *Castoro Dieci* 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.

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 of the first pipeline 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. The three sections of Line 2 will be connected underwater at the same locations in May and June.