

## **PRESS RELEASE**

### **Nord Stream to Assess Options to Further Increase Gas Import Capacities Through the Baltic Sea**

- **Step Towards Greater Long-Term Energy Security for the EU**
- **Additional Pipelines to be Evaluated in a Feasibility Study**

**Zug, May 11, 2012.** The Shareholders of Nord Stream AG have asked the company to conduct a feasibility study of possible options to further increase the capacities to transport natural gas from Russia to the EU through the Baltic Sea. Over the next eight months, Nord Stream will make an assessment of various criteria of up to two potential additional pipelines, including technical solutions, route alternatives, environment and financing.

The feasibility study is intended to assist the Shareholders in evaluating possible solutions to meet the need for the EU to increase its imports of natural gas over the coming decades and to secure gas deliveries under existing contracts. The Shareholders will consider the findings of the feasibility study as the basis for further decisions.

The launch of the new feasibility study shows that Nord Stream's Shareholders continue to explore ways to enhance the EU's long-term energy security by providing reliable and competitive natural gas supplies and diversified transportation capacities.

The study will build on the 40 years experience of Russian gas supply to Europe and the experience gained from the successful implementation of the twin Nord Stream pipelines as well as the Shareholders' own expertise in implementing and managing natural gas pipelines. The study will evaluate the potential for further infrastructure with an operating life of at least 50 years.

The rationale for considering additional infrastructure is twofold: further diversification of transportation routes is an integral part of enhanced security of supply, and the EU's gas import requirements will continue to grow in the long term due to the economic and environmental advantages of natural gas and the decline of indigenous production in the North Sea.

Nord Stream AG is an international joint venture established for the planning, construction and subsequent operation of offshore gas pipelines through the Baltic Sea. Nord Stream's five Shareholders are: Russian OAO Gazprom with a 51 per cent stake in the joint venture, the German companies BASF SE/Wintershall Holding GmbH and E.ON Ruhrgas AG each with 15.5 per cent, and the Dutch gas infrastructure company N.V.

Nederlandse Gasunie and the French energy company GDF SUEZ S.A. each with 9 per cent stakes.

The first of Nord Stream's two parallel pipelines became operational in November 2011. Each line is approximately 1,220 kilometres long and has a transport capacity of 27.5 bcm per year. Line 2 has already been laid and is undergoing pre-commissioning. When it goes on stream in late 2012, both lines together will provide a capacity of 55 bcm per year.

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**Notes to editors:**

**Nord Stream AG** is responsible for the planning, construction and subsequent operation of natural gas pipelines which link 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 make an important contribution to long-term security of supply and be 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. Line 2 has also already been laid and is currently being prepared for operation. Full capacity of 55 bcm per year will be reached when the second line goes on stream in late 2012 as part of the integrated twin pipeline system. This capacity is enough to supply gas to more than 26 million European households.

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**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 pipe-laying barges were commissioned to work on the project: Saipem's Castoro Sei carried out the majority of the construction in the Baltic Sea.



Nord Stream

The new gas supply route for Europe

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 the 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, and the three sections of the second pipeline will also be connected underwater at the same locations this summer.