PRESS RELEASE

Nord Stream Publishes Annual Environmental Monitoring Results 2011 from Finnish Waters

- **Impacts from construction works were in line with or less than had been assessed**
- **Impacts of rock placement on water quality local and short-term**

Zug/Helsinki, 26 June, 2012. Nord Stream AG's Annual Environmental Monitoring Results 2011 from the Finnish and Estonian Exclusive Economic Zones have been published. The results show that the actual impacts of the construction works and operations of the pipeline in Finnish waters were in line with or less than had been assessed before the start of construction.

Nord Stream monitors potential impacts on the Baltic Sea environment caused by the construction and operation of the pipelines in all five countries through whose waters the pipeline passes, according to its national monitoring programmes.

In the Finnish EEZ, the impacts of rock placement on seabed morphology and water quality were monitored during 2011. The monitoring also covered the potential impacts of pipe-laying on seabed morphology and on the condition of cables, barrels and cultural heritage. In addition, upon completion of Line 1 construction the overall impacts of construction on sediment quality have been monitored in Finnish and Estonian waters, and the impacts of the pipeline operation on currents close to the seabed and HELCOM monitoring stations.

In 2011, about 175,000 cubic metres of rock material was placed at altogether 120 berm locations to support the pipelines. The dynamically positioned pipelay barge installed altogether 54 kilometres of Line 1 and 228 kilometres of Line 2, whereas the anchored lay barge installed 148 kilometres of Line 2. Line 1 became operational in November 2011.

Based on these results[1] the actual impacts of pipeline construction and operations were compared with the impacts assessed before the start of construction. The annual monitoring results 2011 support the results of 2010 and show that

- the assessments made during the design phase of the pipelines were conservative and the actual impacts were in line with or less than had been assessed,

[1] Nord Stream Gas Pipeline Construction and Operation in the Finnish EEZ - Environmental Monitoring 2011 Annual Report. Ramboll.

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- the embedding of the pipelines in soft seabed sediment was greater than assessed, and the freespans were shorter than predicted in the design,
- the total amount of rock material placed up to March 2012 was about 20 percent greater than assessed,
- the impacts of rock placement on water quality near the seabed were local, temporary and short-term,
- the construction works of Line 1 did not cause changes to the concentrations of harmful substances of surface sediment in Finnish or Estonian waters. Metal and dioxin concentrations were generally low. TBT concentrations were generally lower than in 2010,
- pipe-laying did not cause impacts on cables, barrels or the seven wrecks monitored. Some small changes were observed in the features of two wrecks after laying of Line 2. However, they were assessed not to be caused by anchoring of the anchored pipelay vessel,
- the impact of the pipeline on currents was minor in the direct vicinity of the pipeline and negligible at distances greater than 50 meters.

The most important parameter monitored during 2009-2011 in Finnish waters has been water quality. It provides information about the potential spreading of sediment and contaminants contained in it to water due to the construction activities. Prevailing currents affect the extent of sediment spreading. Therefore currents have been monitored in connection with water quality and a separate current monitoring report has been compiled in 2012. The report compares the actual current speeds and directions with the modeled values, which provided the basis for assessing the sediment spreading in the EIA. The results show that the monitored current speeds were generally higher than assessed and there were more currents in the north-south direction than modeled values. The actual impacts of construction works were however in line or less than was assessed. In the EIA the modeling results were multiplied with uncertainty factors to take account of the limitations related to the use of the model in the Gulf of Finland.

Nord Stream's Finnish monitoring programmes were developed based on the environmental impact assessments included in the permit applications. Six independent expert organizations monitor a total of 16 subjects related to the physical, chemical, biological and socio-economic environment.

Along the entire length of the Nord Stream pipeline route, more than 20 companies were contracted to conduct environmental and social monitoring in compliance with the various monitoring programmes. In 2010 and 2011, Nord Stream invested 20 million euros in the programmes. A total of 40 million euros will be invested between 2010 and 2016. Data on 16 subjects are being collected from approximately 1,000 survey locations along the route, and are being analysed in

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internationally recognised laboratories. The results are reported to the national environmental authorities in each country which oversees the compliance of the project with the local environmental requirements.

Read more on Nord Stream's environmental monitoring here: http://www.nord-stream.com/environment/environmental-monitoring/

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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. 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.

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 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.

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. 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.

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.

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