

PRESS RELEASE

Danish Energy Agency Grants Nord Stream Permission to Operate the Second of its Twin Pipelines

- **The second pipeline is ready to transport gas in the last quarter of 2012**
- **Pre-commissioning and hyperbaric tie-in process of Line 2 has been successfully completed**
- **Line 1 was taken into operation in November 2011**

Zug, 10 July, 2012. Today the Danish Energy Agency granted Nord Stream permission to operate the second of its twin pipelines that will transport natural gas from Russia to Europe. The permit to operate the first pipeline was granted a year ago, in July 2011.

The operations permit was granted as Nord Stream has met and fulfilled all the requirements and commitments stated by the Danish Energy Agency in the construction permit. Nord Stream has furthermore initiated a comprehensive environmental monitoring programme to ensure that the pipeline has no unexpected impact on the ecosystem of the Baltic Sea.

“We are happy to receive the second operations permit from the Danish Energy Agency today. Thanks to a smooth cooperation with the Danish authorities, as well as dedication to all details, Nord Stream has today taken one more step towards securing safe gas deliveries to Europe – including Denmark,” says Nicklas Andersson, Head of Permitting for Denmark and Sweden.

The delivery of gas through Line 2 will begin in the last quarter of 2012. By the end of 2012 both lines will thus be fully operational. The twin pipelines are each 1,224 kilometres long and run along the seabed of the Baltic Sea from Vyborg, Russia, to Lubmin, Germany. Combined, they will deliver 55 billion cubic meters of gas annually.

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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 make an important contribution to the long-term security of supply and is 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 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 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 were connected underwater at the same locations in May and June 2012.