

PRESS RELEASE

Nord Stream Completes Laying Line 2 Ahead of Schedule

- **Last section of second 1,224-kilometre offshore pipeline laid**
- **Line 2 to become operational as part of fully-automated twin pipeline system towards the end of 2012**

Zug, April 18, 2012. The Nord Stream Project took another major step forward today with the completion of offshore pipelay of the second of its twin 1,224-kilometre gas pipelines through the Baltic Sea ahead of schedule. Following extensive pre-commissioning and commissioning, Line 2 is scheduled to begin transporting gas towards the end of 2012 as part of a fully automated twin-pipeline gas transport system capable of transporting 55 billion cubic metres (bcm) of gas per year from Russia to the European Union, for at least 50 years.

The last of the 99,953 steel pipes for Line 2 was made in Germany by Europipe, concrete-weight-coated at EUPEC's plant in Mukran, shipped to the Slite marshalling yard on the coast of the Swedish Island of Gotland and transported by a pipe-carrying vessel to Saipem's Castoro Sei laybarge, where it was welded onto the pipeline and lowered to the seabed on April 18, 2012. This marked also the completion of the logistics activities for the Nord Stream Project.

In total, the two completed pipelines consist of 199,755, 12-metre concrete-weight-coated steel pipes each weighing about 24 tonnes. The pipelines were laid along an agreed, carefully-planned route on the seabed of the Baltic Sea by three pipelay vessels – Saipem's Castoro Sei and Castoro Dieci, and the Allseas' Solitaire. Altogether, some 138,850 welds were performed for both lines to join together the pipes laid by the Castoro Sei (C6), which has been working on the Nord Stream project since April 2010.

Nord Stream's Deputy Project Director Construction, Ruurd Hoekstra commented: "Saipem's Castoro Sei has done an excellent job for us. The vessel has been working 24/7 on this project for two years with its crew of 330 persons with only a one month planned maintenance break in May 2011. Her average lay-rate has been significantly faster than expected, the quality of welds has been exceptionally high and the safety record is outstanding. We are very pleased to have completed pipelay for Line 2 well in advance of the planned schedule. It is another major milestone for Nord Stream."

"The fact that we were able to complete our complex construction schedule involving three pipelay vessels working simultaneously on

different sections of the pipeline was made possible by years of detailed and careful planning. The expertise of our staff and contractors – technical, logistics, safety, environmental and operational – allowed for a smooth-running construction programme that met all environmental and safety considerations,” Hoekstra added.

At any one time, a minimum of 12 ships worked on the project in different parts of the Baltic Sea, and everything fitted into place. Nord Stream’s construction plans proved to be resilient enough to cope with periods of enforced downtime due to some very adverse weather conditions in the Baltic Sea.

The twin pipelines were laid in three sections. Nord Stream was able to design its offshore pipelines to operate without an intermediate compressor station. The pipelines were developed with three different design pressures and pipe wall thicknesses as the gas pressure drops over the long journey from Russia to landfall in Germany.

Pre-commissioning activities for Line 2 have already started. Each of the three sections will be flooded with seawater, cleaned and gauged and thoroughly pressure tested. Following the completion of the pressure tests, these three sections will be connected by underwater hyperbaric tie-ins in May and June off the coasts of Finland and Sweden where the design pressure changes from 220 to 200 bar and from 200 to 177.5 bar respectively.

After de-watering and drying, the completed pipeline will then be linked to the landfalls in Russia and Germany and put into operation towards the end of the year as part of Nord Stream’s fully-automated twin pipeline system. Line 1 started transporting gas in November, 2011.

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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. 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.