



Nord Stream 2

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Press Release

Nord Stream 2 Signs Coating and Logistics Contract with Wasco Coatings Europe

> Coating and logistics activities provide a significant economic stimulus to the chosen logistics hubs

[Zug, Switzerland – 7-Sep-16] Nord Stream 2 AG has signed a contract with Wasco Coatings Europe BV to partner for concrete weight coating, pipe storage and logistics.

Wasco will operate an existing weight coating plant in Kotka, Finland, and a second plant in Mukran Germany, as well as three storage yards located around the Baltic Sea for storing the pipes. Hanko, Finland will be one of those three storage locations, with the two other ports to be located in Sweden at sites still to be confirmed.

The first pipes will be delivered from the pipe mills to the coating plant in Kotka end of September and to Mukran early November. Coating operations will start in the first quarter of 2017.

Additional Employment and Business to Be Generated at Regional Ports Chosen

Nord Stream 2's logistics concept is based on the use of logistics hubs located in ports around the Baltic Sea. Project-related operations will provide a positive economic stimulus to the regional ports and contribute to their long-term development. Wasco estimates that it will employ at its peak of production close to 300 persons in Kotka and 150 persons in Mukran coating plants during the project.

“This important contract is a key milestone for the Nord Stream 2 project: It will provide the logistical back-bone for the construction phase and is fully in line with our project schedule. Wasco is one of the world's most experienced companies in the field of concrete weight coating and pipe logistics, and came through an intensive selection process to become our Coating and Logistics partner. We are also pleased that Wasco will be co-operating with the ports, which successfully participated already in implementation of the existing Nord Stream”, says Henning Kothe, Chief Project Officer at Nord Stream 2 AG.



“We are extremely proud of the award of this contract as this is another testament of our capabilities in the competitive oil and gas industry. We have built an excellent reputation for ourselves in terms of our project execution, delivery, quality and safety standards. This is a milestone project for us as this is the single largest contract win to date. We also look forward to cooperating with local partners in the logistics hubs with some already having experience from similar project,” says Giancarlo Maccagno, Group CEO of Wasco Energy Group of Companies.

Coating to Add Pipeline Stability in the Seabed

Steel pipes will be transported from the pipe mills to the coating plants, from where the coated pipes will be transshipped to the storage yards and later to pipe-lay barges by pipe carrier vessels.

At the coating plants, the concrete weight coating added to the high-density steel pipes will double their weight to 24 tonnes per pipe on average. The coating ensures the stability of the pipeline on the seabed. A total of approximately 200,000 concrete weight coated pipes, each 12-metre long and 48-inch in diameter, will be needed for the twin pipeline system.

When construction starts in 2018, half of the pipes have to be concrete weight coated and readily available at the logistics sites along the pipeline route to meet the Nord Stream 2 construction schedule.

About Nord Stream 2

Nord Stream 2 is a planned pipeline through the Baltic Sea, which will transport natural gas over 1,200 km from the world's largest gas reserves in Russia via the most efficient route to consumers in Europe. Nord Stream 2 will largely follow the route and design of the successful Nord Stream pipeline. With Europe's domestic gas production projected to halve in the next 20 years, Nord Stream 2's twin pipeline system will help Europe to meet its future gas import needs, with the capacity to transport 55 billion cubic metres of gas per year, enough to supply 26 million European households. This secure supply of natural gas with its low CO₂ emissions will also contribute to Europe's objective to have a more climate-friendly energy mix with gas substituting for coal in power generation and providing back-up for intermittent renewable sources of energy such as wind and solar power.

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