

Press release

Company response to the European Commission's letter to the Energy Ministers of Sweden and Denmark

[Zug, March 30, 2017] Nord Stream 2 AG takes note of the European Commission's recent letter to the Swedish and Danish Energy Ministers.

After carefully studying the content of this response to a request for an assessment of our project, we find it important that the European Commission confirmed that "it is the responsibility and competence of the Member States to authorise or certify individual pipeline projects." We also acknowledge that the European Commission confirmed yesterday, via a spokesperson, that the provisions of the 3rd internal energy market package are not applicable to offshore pipelines such as Nord Stream 2. This confirms an earlier opinion of the European Commission's legal service, which came to the same conclusion.

As far as the regulatory framework is concerned, our main points of reference are the competent authorities in the countries with jurisdiction over the pipeline. In its recent letter, the German regulator Bundesnetzagentur clarified to the European Commission that Nord Stream 2 is not being implemented in a legal void. The project will proceed in full compliance with the existing legal framework consisting of EU law, intergovernmental conventions and national laws. An intergovernmental agreement is not a legal prerequisite or permitting criteria for a pipeline project like Nord Stream 2. The German regulator also stated that "it would be discriminatory if other requirements were to apply to Nord Stream 2" than to other comparable pipelines without legal reason. We are surprised that this clarification by the competent regulator is not reflected in the Commission's letter to the Danish and Swedish Ministers.

We also strongly disagree with the view expressed in the letter that Nord Stream 2 is not in line with the Energy Union objectives: In the very first sentence of the Energy Union strategy, these objectives are identified as (1) secure, (2) sustainable, and (3) affordable/competitive energy. Nord Stream 2 directly contributes to all three key objectives. The EU cannot pursue all three objectives simultaneously without sufficient supply of natural gas by import pipelines.

Furthermore, in a market economy it is the market players who decide about commercial investments. It is not up to the European Commission to make a political judgment whether investments are needed by the market or not. There are five major Western European energy companies that strongly support Nord



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Stream 2 and its economic rationale. In addition to the important benefits that Nord Stream 2 will bring for the EU's energy consumers, more than 200 companies from 17 countries work on this project. Over 4 billion EUR have been committed already, creating jobs and growth across Europe, in line with key objectives of the Juncker Commission.

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. www.nord-stream2.com

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