

Press Release

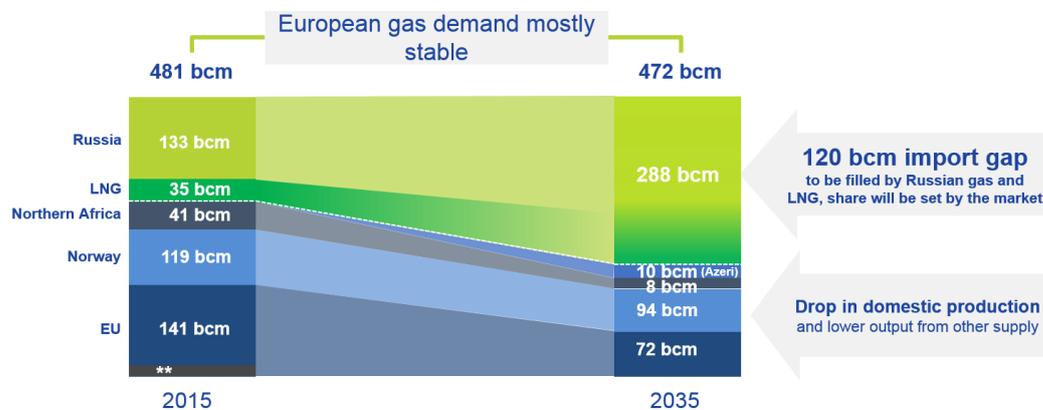
Nord Stream 2 Highlights Need for New Pipeline

- > In-depth project justification invalidates main criticism of environmental associations at public hearing in Stralsund
- > Nord Stream 2 strengthens security of supply in the European Union

[Stralsund, Germany – 17-Jul-17] The public hearing on the Nord Stream 2 Pipeline project in Germany will take place from July 17 until July 21, 2017 under the direction of the relevant permitting authorities – the Federal German Maritime and Hydrographic Agency and the Mining Authority Stralsund. The public hearing is an important part of the German permitting procedure and at the same time represents the final phase of the public participation for Nord Stream 2 in Germany. During the five days of the hearing, permitting authorities and interest groups will debate the objections and statements submitted concerning the project. This includes the purported lack of need for an additional pipeline, which has been the main point of criticism brought forward by environmental organisations.

Declining domestic production as gas demand remains stable

Europe's domestic gas production has steadily declined during the past years. Over the next two decades, it will further decrease by approximately 50 percent, or around 70 billion cubic metres (bcm). On the other hand, traditional suppliers such as Norway (-25 bcm) and North Africa (-30 bcm) will not be able to maintain current supply levels. At the same time, gas demand in the European Union will remain stable, as forecast, for instance, in the EU Reference Scenario 2016.



** Statistical difference of ~12 bcm in 2015

Sources: adapted from Prognosis 2017, based on EU Reference Scenario 2016, adapted with NOP 2015, OGA (Oil and Gas Authority) production projections, February 2016, NEP Gas 2016, Norwegian Petroleum Directorate, The Oxford Institute for Energy Studies, Algerian Gas: Troubling Trends, Troubled Policies, May 2016, The Oxford Institute for Energy Studies, Azerbaijan's gas supply squeeze and the consequences for the Southern Corridor, July 2016, BP Statistical Review of World Energy, June 2016, demand includes EU-28 and Switzerland, excludes western imports to Ukraine

This means that additional infrastructure is necessary to fill the resulting import gap of about 120 bcm and secure Europe's energy supply against supply-side and demand-side risks, also in the shorter term, up to 2020. The import gap will

be filled both by LNG and piped gas from Russia, and the respective share of imports will be set by the market.

As Nord Stream 2 can provide only a part of the requirement for additional gas imports, the current share of about one third of EU gas imports will not change significantly.

Russian pipeline gas is the most economical and environmentally-friendly option

Infrastructure systems such as Nord Stream 2 are the most competitive and reliable way to transport additional natural gas from Russia to European markets. Thanks to low production and transport costs, pipeline gas from Russia constitutes the best option for Europe's energy supply from both an economic and an environmental point of view.



Source: Nord Stream 2, Pipeline lengths according to DBI (2016)

All figures rounded

Nord Stream 2 represents a commitment by the companies involved to reinforce the EU's long-term energy security by providing reliable and competitive natural gas supplies and diversified transportation capacities via a short and direct link to the world's largest gas reserves in Northern Russia.

A low-emission energy transition can only be realistically achieved with natural gas

Gas-fired power generation will play an important role in supporting renewables, as it can be used in different ways. Converting natural gas into electricity emits half as much CO₂ as coal-based power generation. As part of an economically sound reinforcement of Europe's gas market, Nord Stream 2 will enable this climate-friendly energy transition under sensible economic conditions.

The 55 bcm of gas that Nord Stream 2 will have the capacity to transport could save about 160 million tonnes – or 14 percent - of the EU's total CO₂ emissions from power generation, if the gas were to be used instead of coal.

In combination with power from renewables, natural gas has a number of advantages over other fossil fuels, making it the first choice as an additional energy source in an enhanced low-carbon energy strategy. In the EU, gas is expanding its share in the power generation mix and is projected to overtake coal in about 10 years.

For further information see:

Nord Stream 2 brochure: ["Gas market outlook"](#)

Prognos study: ["Status and Perspectives of the European Gas Balance"](#)

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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