



News Release

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South Stream Transport Signs Gas Transmission Agreement

The Gazprom Management Committee Chairman Alexey Miller today took part in Paris (France) in a meeting of the South Stream Transport B.V. Board of Directors.

During the meeting the Board of Directors approved a detailed construction schedule, endorsed the company's long-term budget and confirmed the commissioning of South Stream 's first offshore line before the end of 2015.

In addition, Gazprom Export and South Stream Transport B.V. signed a Gas Transmission Agreement at the meeting.

Background

For the purpose of diversifying natural gas export routes Gazprom is constructing a gas pipeline across the Black Sea to Southern and Central Europe – the South Stream project.

The offshore section of the South Stream gas pipeline will run under the Black Sea from the Russkaya compressor station on the Russian coast to the Bulgarian coast. The total length of the Black Sea section will exceed 900 kilometers, its maximum depth will be more than two kilometers, annual design capacity – 63 billion cubic meters.

On September 16, 2011 the Shareholders Agreement of South Stream Transport was signed for the construction of the offshore gas pipeline section. According to the document, Gazprom holds a 50 per cent stake in the project, Italian Eni – a 20 per cent stake, German Wintershall Holding and French EDF – 15 per cent stakes each.

The Consolidated Feasibility Study for South Stream was finalized in the third quarter of 2011 and included a feasibility study for the offshore section and feasibility studies for the respective gas pipelines in the host countries of Southern and Central Europe.

On November 14, 2012 the South Stream Transport Board of Directors adopted the final investment decision for the offshore section of the South Stream project.

On December 7, 2012 the South Stream gas pipeline construction started near Anapa in the Krasnodar Territory.

The first string of the offshore gas pipeline is to be commissioned in late 2015.