



News Release

20 Dec 2012

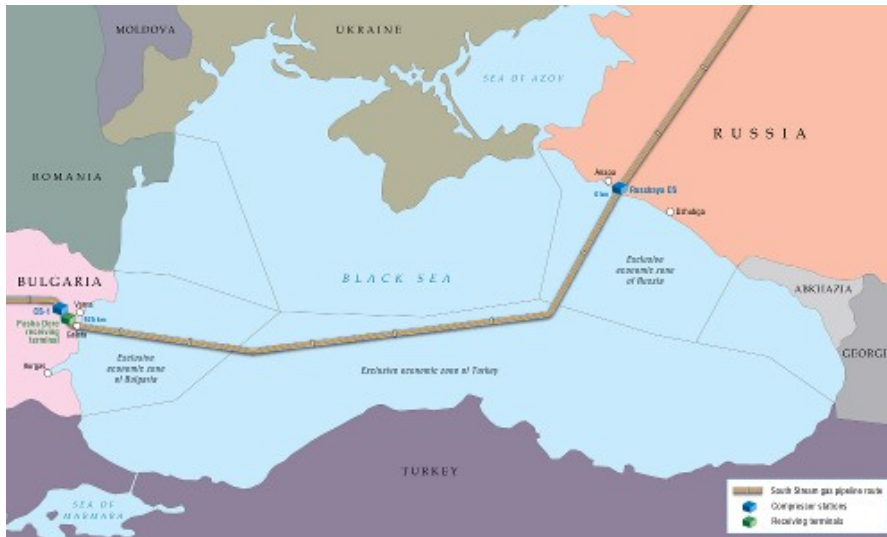
## Gazprom Pushes Ahead with South Stream

The Gazprom [Board of Directors](#) discussed the progress with the [South Stream](#) project.



South Stream project layout

South Stream Transport responsible for the project's offshore section is performing engineering surveys and the project documents compilation. The discussion of bidding documents is underway as well as negotiations with potential contractors on building the first string of the offshore gas pipeline section.



South Stream project offshore section layout

The Construction Schedule for South Stream Gas Pipeline in Bulgaria and the Commissioning Plan for Bulgarian Gas Pipeline Section will be approved in the nearest future; the Action Plan for the project

implementation in the Republic of Bulgaria between 2013 and 2017 is being updated. The South Stream onshore section construction in Europe is to start in Bulgaria in June 2013.



South Stream project layout in Bulgaria

Engineering surveys are in progress and the project documents are being developed in Serbia. The environmental impact assessment (EIA) and spatial planning procedures carry on. An Action Plan has been approved to implement the South Stream project in Serbia between 2013 and 2016. Bidding documents are being developed for selecting long-lead equipment suppliers and contracting organizations.



### South Stream project layout in Serbia

In Hungary the assignments for the project documents development are currently being prepared and approved, the EIA and spatial planning procedures are in progress. Bidding documents for selecting a contractor to compile the basis of design are being elaborated and approved at the moment.



### South Stream project layout in Hungary

In Slovenia the national spatial planning and EIA procedures have started. Bidding procedures are being arranged for selection of the contractor to elaborate project documents.

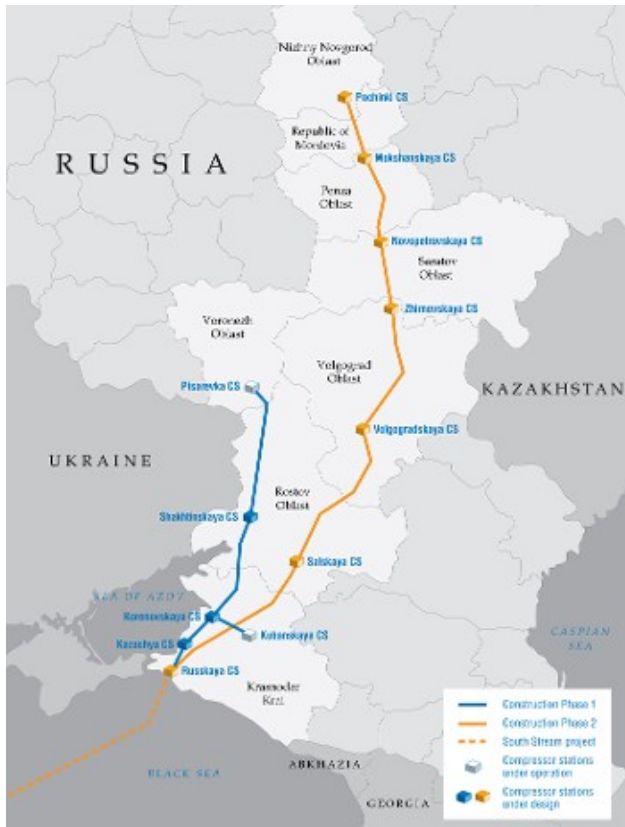


### South Stream project layout in Slovenia

In December 2012 the Government of the Republic of Croatia confirmed its participation in the South Stream project and construction of a gas lateral.

With a view to provide a regulatory framework for the construction of a gas lateral in the Republic of Macedonia, the Russian Energy Ministry continues to take steps to coordinate an intergovernmental cooperation agreement for creating a gas pipeline to supply gas to Macedonia. Gazprom elaborated the Feasibility Study of Russian gas supplies to Macedonia within the South Stream project.

In order to ensure gas supplies to South Stream and to gasify central and southern regions of Russia, Gazprom is implementing a large-scale gas transmission system project – [Southern Corridor](#).



### Stages of Southern Corridor gas pipeline system construction

The Unified Gas Supply System Extension for Gas Supply to the South Stream Gas Pipeline and the Retrofitting of the Urengoy – Novopskov Gas Pipeline at the Petrovsk – Pisarevka Section investment projects continue. They will be finished before the launch of gas supplies via the South Stream gas pipeline. The bidding procedures resulted in selecting materials and equipment suppliers, as well as contracting companies to perform construction and installation operations. Orders were placed for manufacturing of major process equipment for compressor station facilities and the gas line pipe. Contracting organizations were mobilized to construction sites. Pipe welding and pipe acceptance stations as well as temporary builders' camps were deployed in the construction areas.

Construction and installation operations started at the line section: the Pisarevka-Anapa, kilometer 0 – kilometer 223.1, kilometer 570 – kilometer 768.5 sections. For the construction of top-priority gas pipeline sections the manufacturing plants offloaded more than 204 kilometers of pipes, with more than 190.5 kilometers received at storage stations. By now, about 89 kilometers of large-diameter pipes have been welded up, 54.4 kilometers have been trenched and 46 kilometers have been backfilled at two line pipe sections.

Inventory storage areas and construction sites of the Russkaya, Kazachya and Korenovskaya compressor stations are being backfilled and pre-developed.

As part of the Urengoy – Novopskov Gas Pipeline Retrofitting project a 1,400 millimeter interconnector is being built at the Petrovsk – Pisarevka section. 5.7 kilometers of large-diameter pipes were supplied out of the required 6.4 kilometers. Major assembly of pipe spools is underway.

Large-scale construction of the following top-priority infrastructure facilities goes on intensely: access roads, inventory and equipment storage facilities, as well as the gas pipeline line section in the Voronezh and Rostov Regions and the Krasnodar Territory. Retrofitting of the Urengoy – Novopskov gas pipeline at the Petrovsk – Pisarevka section has started: an interconnector near the Pisarevka compressor station is being built.

On the whole, the Southern Corridor GTS construction project is being implemented in eight Russian Federation constituents: the Nizhny Novgorod Region, the Republic of Mordovia, the Penza Region, the

Saratov Region, the Volgograd Region, the Voronezh Region, the Rostov Region and the Krasnodar Territory.

The meeting noted that as part of the decisions on accelerating the South Stream project implementation, the Company had successfully completed a wide range of activities.

The Management Committee was tasked to go on with the South Stream project implementation jointly with the foreign partners and ensure the start of gas supplies through the gas pipeline by late 2015. The Management Committee is to inform the Board of Directors on the progress with the project in the fourth quarter of 2013.

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