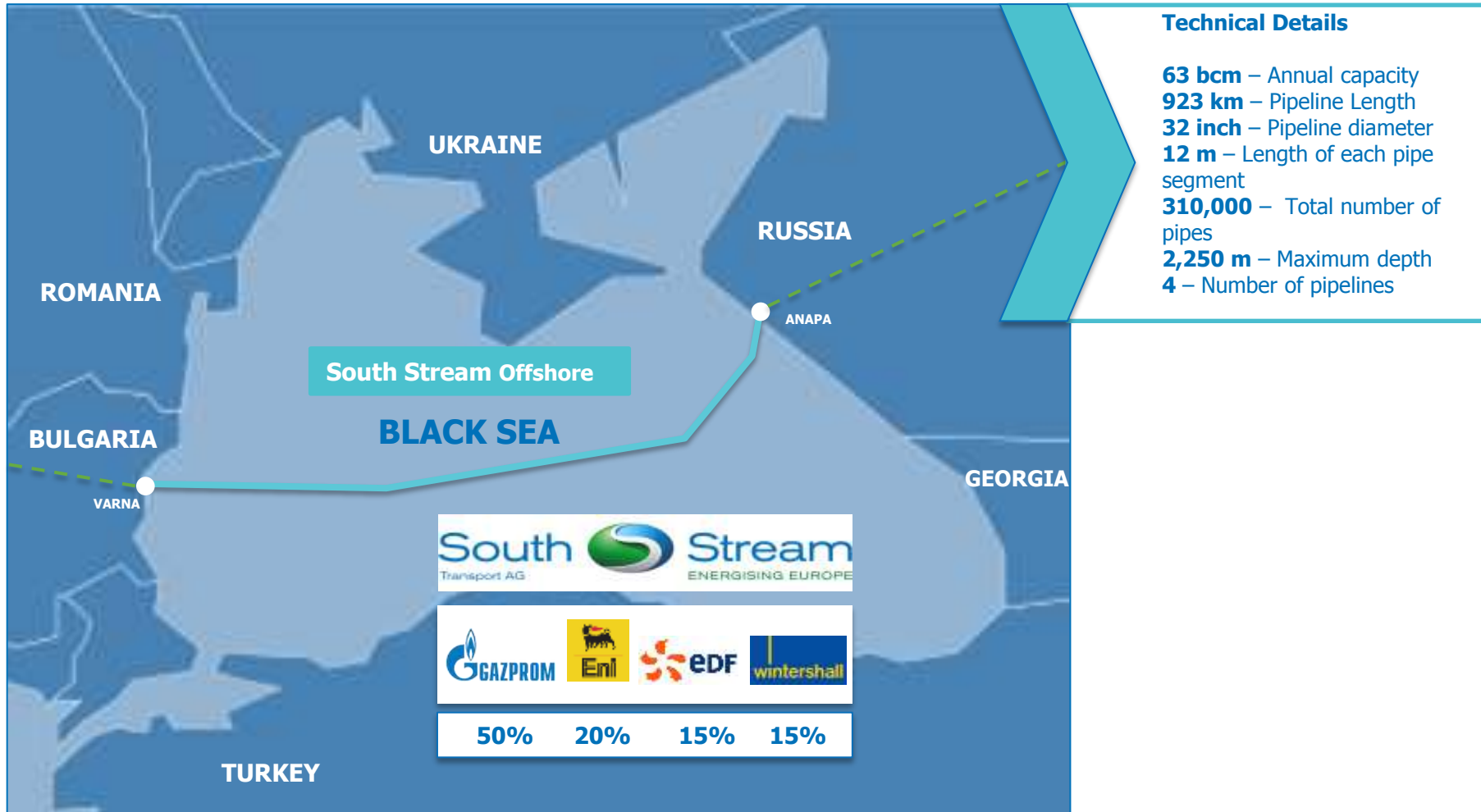# South Stream Offshore Pipeline – Energising Europe

Marcel Kramer, President Royal Dutch Gas Association
and CEO South Stream Transport AG
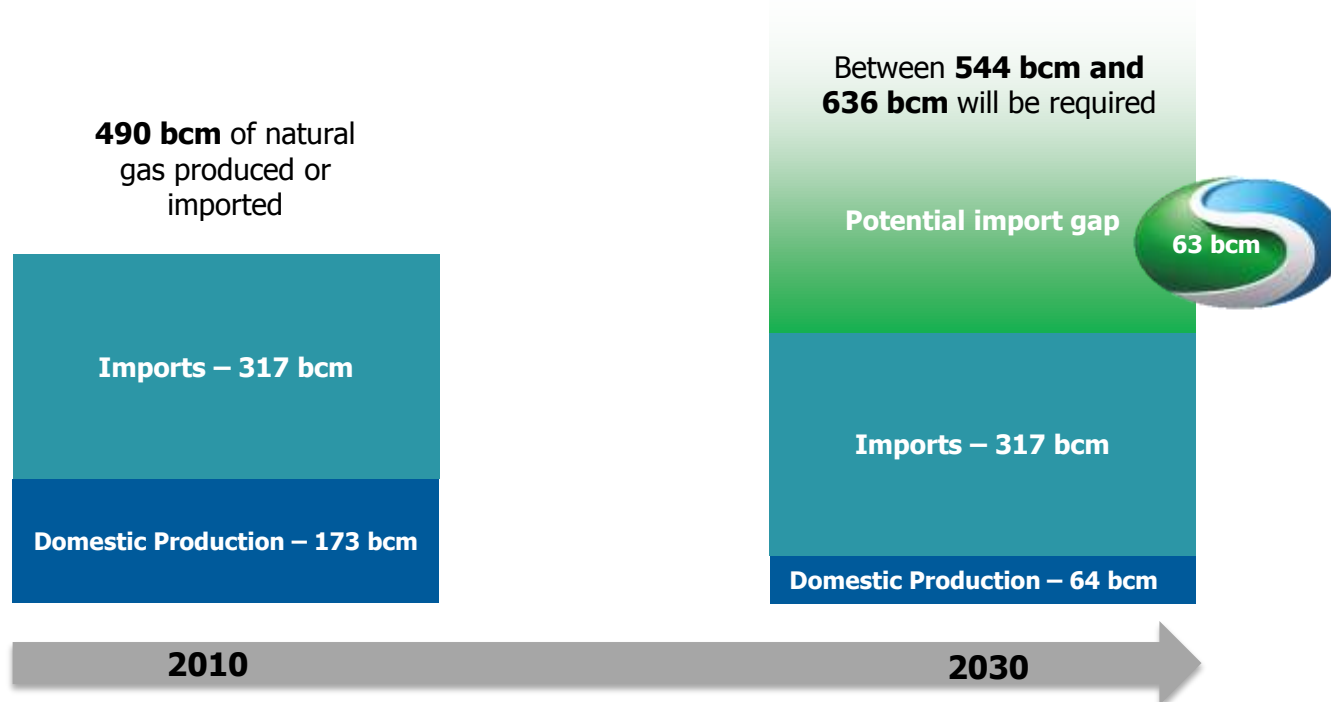World Gas Conference – Committee Session 3.1: Strategic Gas Transmission
Infrastructure Projects, Kuala Lumpur, 5 June 2012

South Stream Offshore Route through the Black Sea

UKRAINE

RUSSIA

ROMANIA

ANAPA

South Stream Offshore

BLACK SEA

BULGARIA

VARNA

GEORGIA

Technical Details

63 bcm – Annual capacity
923 km – Pipeline Length
32 inch – Pipeline diameter
12 m – Length of each pipe segment
310,000 – Total number of pipes
2,250 m – Maximum depth
4 – Number of pipelines

South Stream
Transport AG
ENERGISING EUROPE

GAZPROM   Eni   edf   wintershall

50%   20%   15%   15%

TURKEY

Europe's Growing Energy Demand

- While Europe's gas consumption is rising, domestic production is declining

- Natural gas delivered by the South Stream Offshore Pipeline will partially fill Europe's import gap

490 bcm of natural gas produced or imported

Between **544 bcm and 636 bcm** will be required

Potential import gap

63 bcm

Imports – 317 bcm

Imports – 317 bcm

Domestic Production – 173 bcm

Domestic Production – 64 bcm

2010

2030

Engineering and Design

- Consolidated Feasibility Study completed in the third quarter of 2011

- Front End Engineering and Design (FEED) contract awarded to INTECSEA BV (Netherlands) in February 2012

- Further milestones in 2012

  - FEED completion

  - Third-party certification

  - Tenders for materials and installation contracts

Permitting and Environmental and Social Impact Assessments (ESIA)

- Permits to construct and operate the pipeline needed from Russia, Turkey and Bulgaria

- ESIA processes being conducted in Russia, Turkey and Bulgaria

- International consultation process in line with requirements of the Espoo Convention (UNECE Convention on Environmental Impact Assessment in a Transboundary Context) involving all Black Sea countries

- Further milestones in 2012

  - National submissions of permit applications and ESIAs

  - Public participation phase in Black Sea countries

Project Financing

- Project financed by shareholders' equity and international lenders

- Budget determined upon completion of technical design and finalisation of key tenders for pipe supply, pipe laying and coating, and logistics

- Private financing transparency in line with international standards (e.g. IFC Performance Standards)

- Financial advisers: Crédit Agricole Corporate and Investment Bank, ING Bank N.V. and RPFB Project Finance Ltd

- Further milestones in 2012

  - Final Investment Decision (FID)

South Stream Offshore Project – Well on track