



## PRESS RELEASE

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### **GAZPROM AND EDF SIGN MEMORANDUM DETAILING JOINT PARTICIPATION IN SOUTH STREAM PROJECT**

Today in Paris and in the presence of Prime Minister of Russia Vladimir Putin and Prime Minister of France François Fillon, Gazprom Management Committee Chairman Alexey Miller and EDF CEO Henri Proglio signed a Memorandum of understanding on the possibility of EDF participating in the construction of the offshore section of the South Stream pipeline.

The document specifies that the details of EDF's participation in the project will be worked out jointly with ENI, which currently owns 50% of South Stream AG, the operator of the offshore section of South Stream.

The Memorandum states that EDF's entering the South Stream will foresee the conclusion of new long-term gas sales contracts. It will secure Gazprom's marketing of the resources with one of the reliable European customers and enable EDF, which handled 29 bcm in 2008, to obtain guaranteed volumes of hydrocarbons from Russia in the long term. According to the Memorandum, Gazprom and EDF will also expand cooperation in the electricity sector in France and elsewhere.

*"We are gaining a new reliable and long-term partner today in EDF. The participation of a French company in the South Stream project underscores the pan-European scale of the pipeline and is additional evidence of its tremendous importance for ensuring stable energy supplies to the continent. We are confident that South Stream, along with Nord Stream, which is being recognized by a growing number of European countries, will ensure the well-being of Gazprom's customers in terms of energy," - said Alexey Miller.*

*"The agreement signed with Gazprom, the first gas producer in the world marks the start of a long term partnership between the two companies. It enables EDF to complete a further major step forward in its strategy aiming to secure its gas supplies, both for supplying its own electricity production facilities and for selling of natural gas to its clients. The Group therefore strengthens its presence through gas reserve and infrastructure project ", - said Henri Proglio.*

Background:

*In order to diversify natural gas export routes, Gazprom plans to build South Stream gas pipeline across the Black Sea to the countries of South and Central Europe.*

*Gazprom and ENI signed a Memorandum of Understanding on the implementation of the South Stream project on June 23, 2007. The memorandum specifies areas of cooperation between the two companies in the design, financing, construction and management of South Stream.*

*The special-purpose company South Stream AG was registered in Switzerland on January 18, 2008. The founders of the company, on a parity basis, are Gazprom and ENI.*

*On May 15, 2009, Gazprom and ENI signed a second Addendum to the Memorandum of Understanding between Gazprom and ENI of 23 June 2007 on further steps in the implementation of the South Stream project. The addendum provides for an increase in the capacity of the offshore section of the South Stream gas pipeline from 31 to 63 bcm per year and governs gas sales insofar as the project is concerned.*

*The EDF Group, one of the leaders in the energy market in Europe, is an integrated energy company active in all businesses: generation, transmission, distribution, energy supply and trading. The Group is the leading electricity producer in Europe. In France, it has mainly nuclear and hydraulic production facilities where 95% of the electricity output involves no CO2 emissions. EDF's transport and distribution subsidiaries in France operate 1,274,000 km of low and medium voltage overhead and underground electricity lines and around 100,000 km of high and very high voltage networks. The Group is involved in supplying energy and services to more than 38 million customers around the world, including more than 28 million in France. The Group generated consolidated sales of € 64.3 billion in 2008, of which 47% in Europe excluding France. EDF is listed on the Paris Stock Exchange and is a member of the CAC 40 index.*

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