
Nord Stream plan to agree on EUR 3 billion loan this year

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Bloomberg reported that Nord Stream AG plans to agree on EUR 3.9 billion of loans by the end of the year, the OAO Gazprom led venture first financing package to build a gas pipeline directly from Russia to Europe.

Mr Matthias Warnig MD of Nord Stream AG without naming the lenders said that a total of 29 banks confirmed participation in the financing. Nord Stream will seek an additional EUR 2.6 billion in early 2010.

Gazprom and its Nord Stream partners, BASF SE, E ON Ruhrgas AG and Nederlandse Gasunie NV, aim to start shipping 27.5 billion cubic meters of gas a year from Russia to Germany in 2011, circumventing transit countries such as Ukraine and Poland. A year later, the capacity of the 1,220 kilometer pipeline may double to 55 billion cubic meters.

Mr Jens Mueller a spokesman for the venture said Nord Stream will start the request for-proposal process for the second financing package at the beginning of next year. The process for the EUR 3.9 billion of loans started in August.

Mr Warnig said the venture expects to gain permission to build the link, which runs under the Baltic Sea from Finland, Russia and Germany this year. Sweden and Denmark have already approved it. Gazprom holds 51% in the venture, BASF Wintershall Holding AG and E.ON Ruhrgas have 20% each and Gasunie holds the rest. GDF Suez SA plans to join Nord Stream by the end of the year.

(Sourced from Bloomberg)

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