



NABUCCO GAS PIPELINE PROJECT

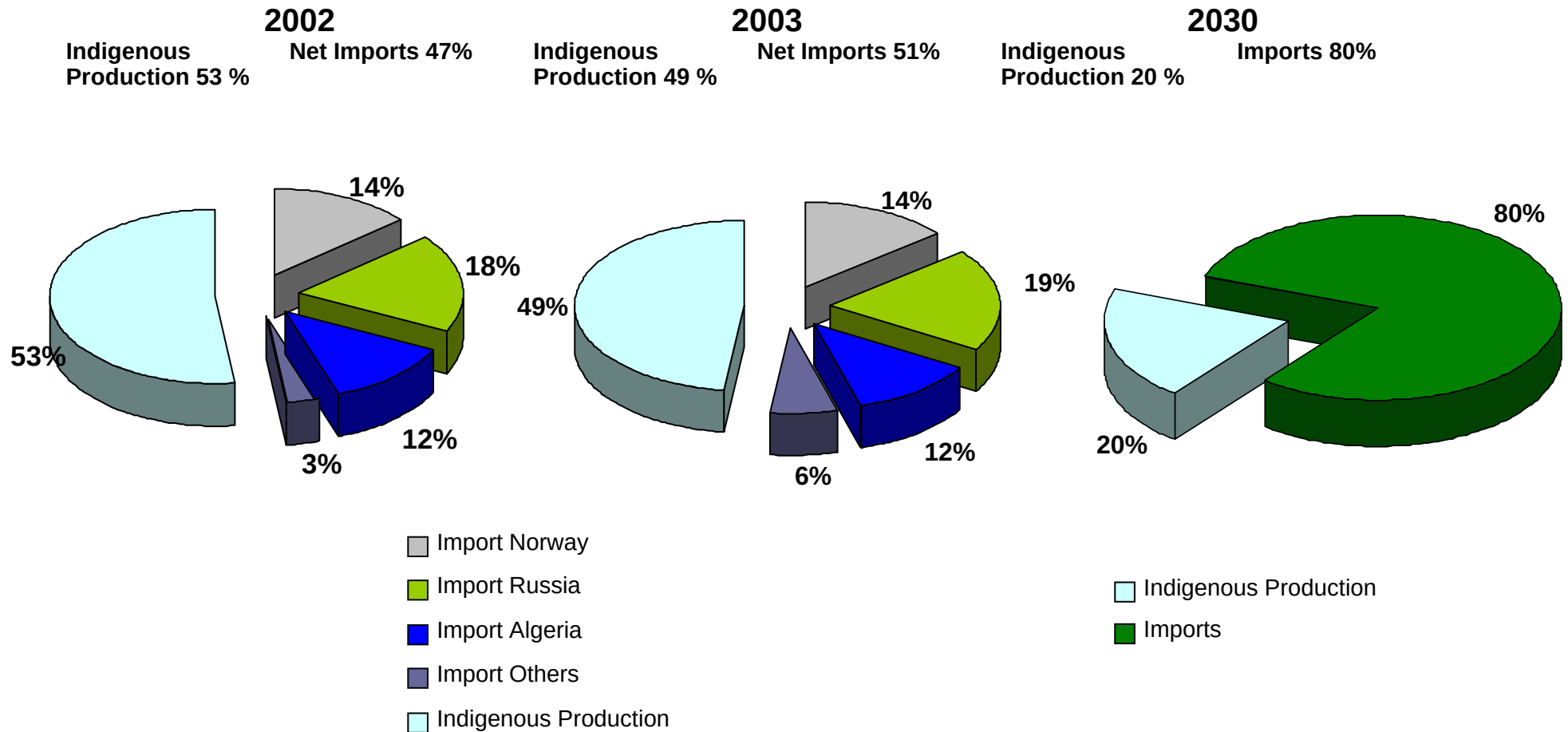
Gas Bridge between Asia and Europe



Introduction

- ▶ General overview – perspectives on
 - import situation European Union
 - supply volumes / sources OECD Europe
 - investment needs
- ▶ Nabucco Gas Pipeline Project
 - Strategic goals
 - Route
 - Basic Pipeline Datas
 - Milestones
- ▶ Prerequisites
 - Clear, stable and long term foreseeable regulatory framework
 - sound and harmonized multilateral legal framework

Sources of Natural Gas Supply - European Union

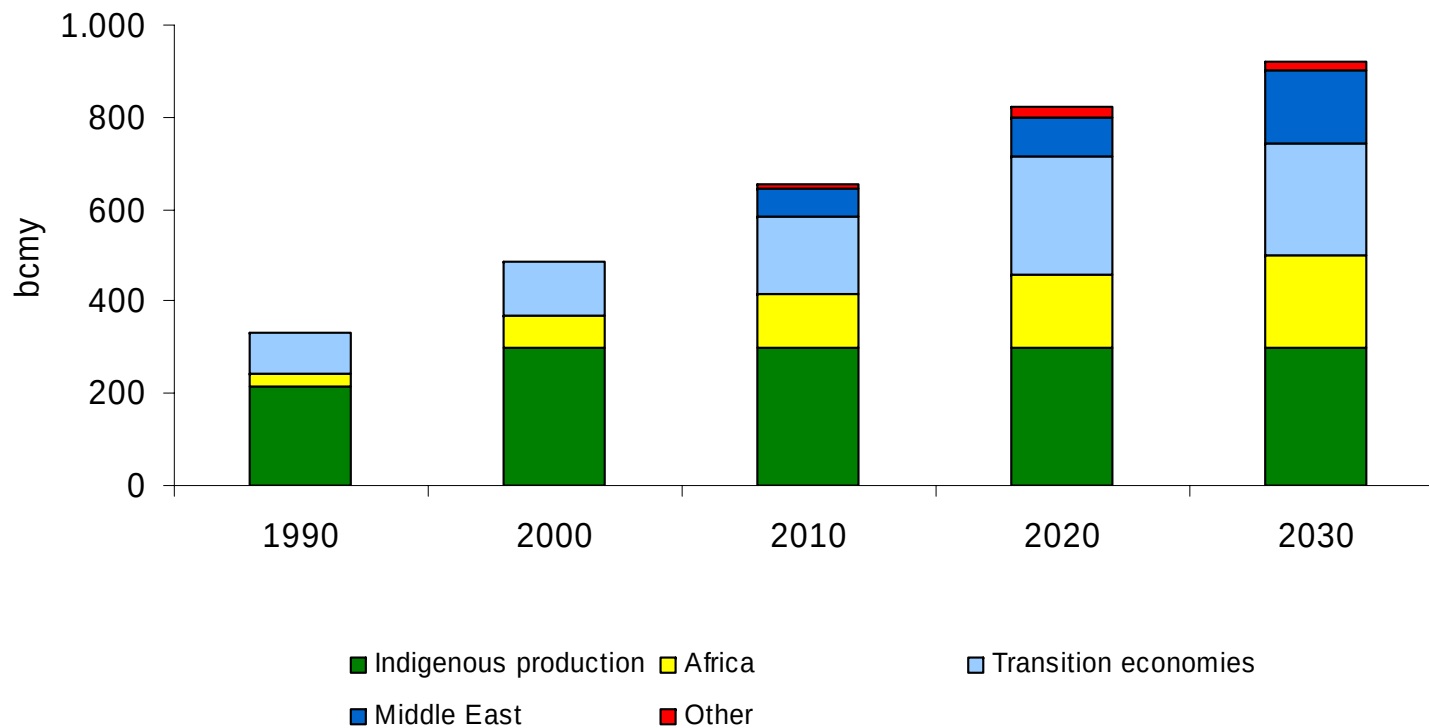


Source: Eurogas

Source: EU-forecast, EU Energy, Issue 86,
July 2nd, 2004

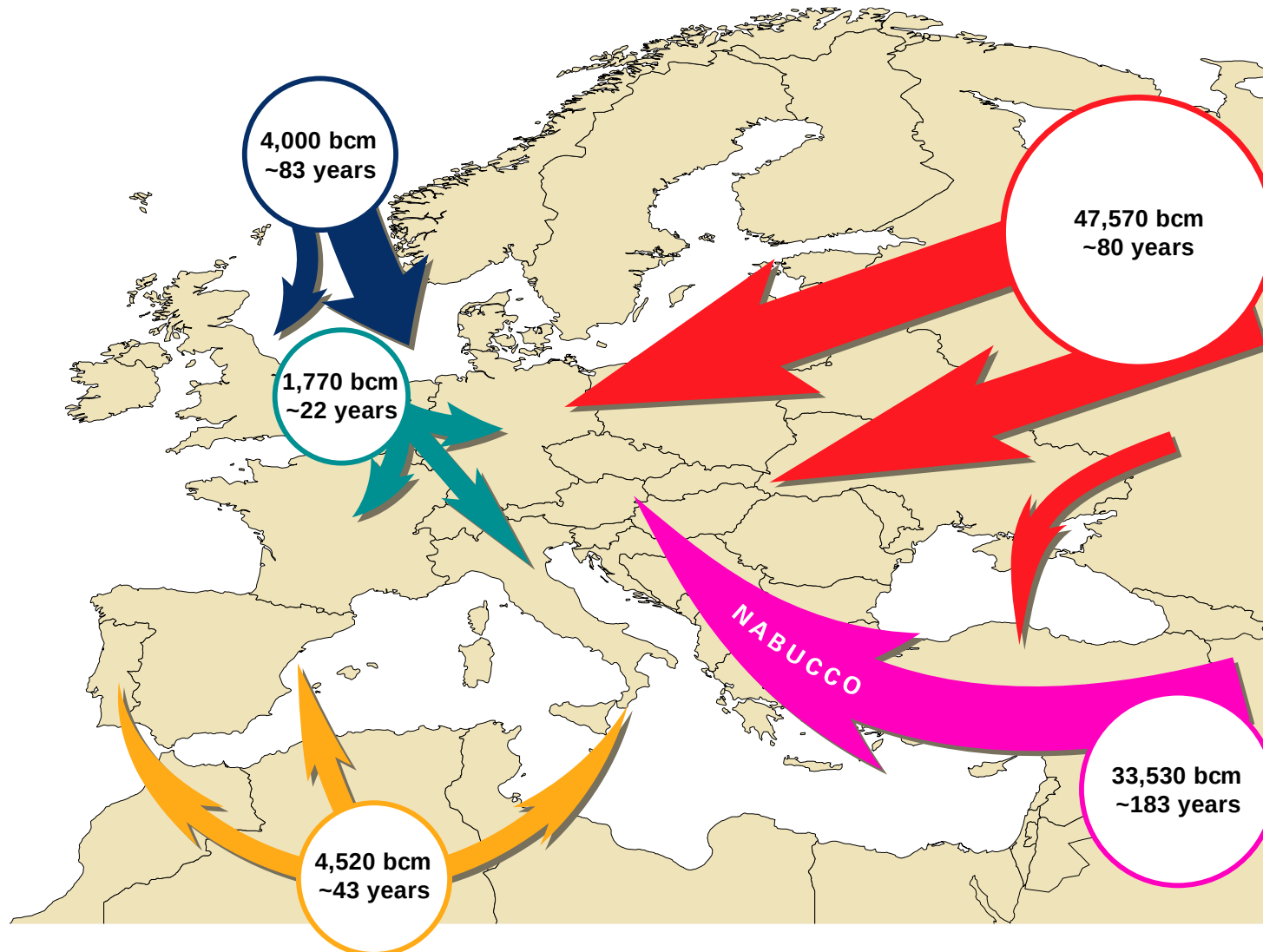
Forecast of Gas Supply – OECD Europe

OECD European gas balance, 1990 - 2030



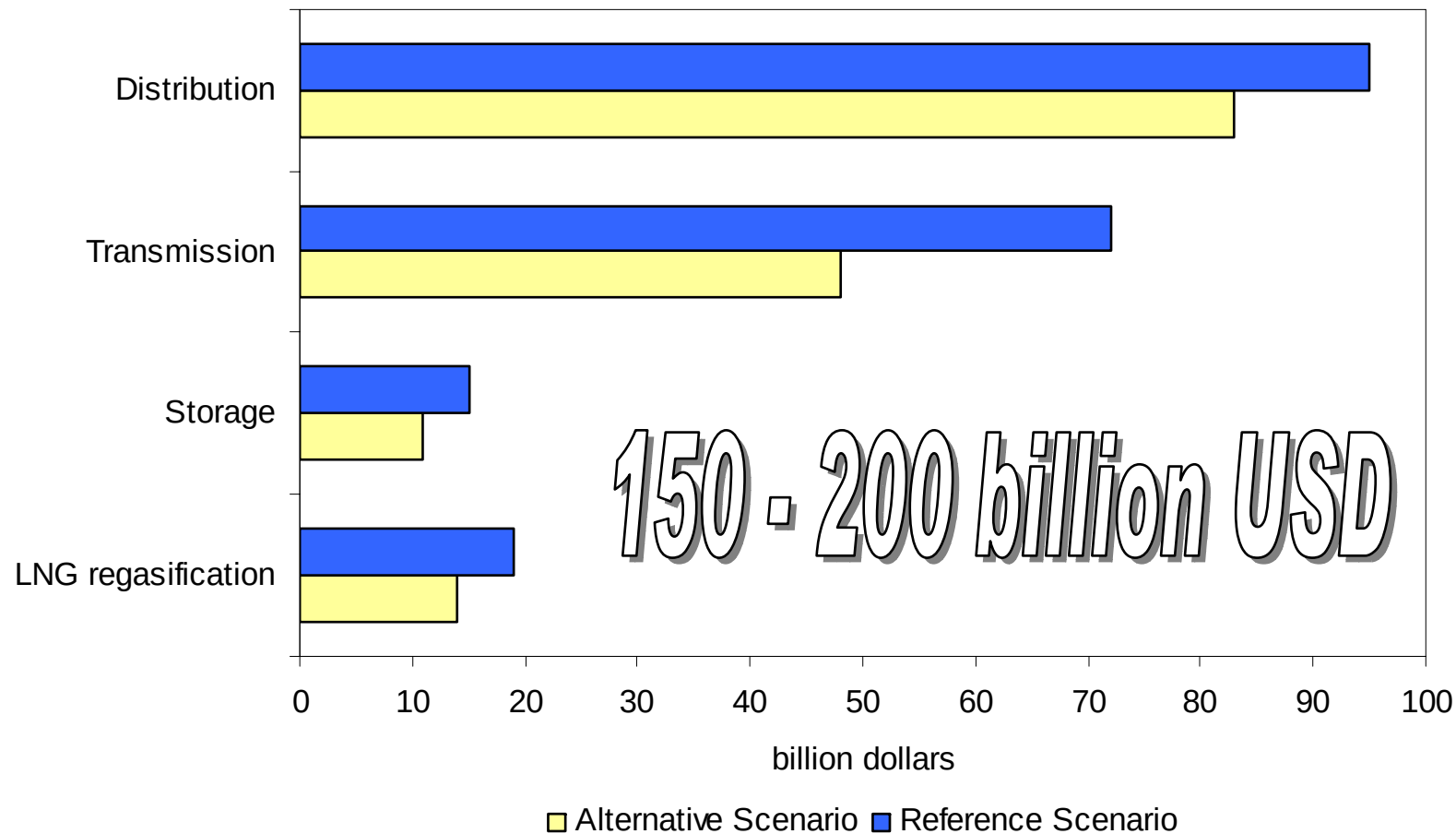
Source: „Security of Gas Supply in Open Markets - LNG and power at a turning point“, Edition 2004 (OECD/IEA)

Gas Reserves around Europe



Source: OMV Gas GmbH, May 2004

New projects / Investment needs



Source: International Energy Agency (2002a).

Nabucco Gas Pipeline Project - Partners

- ▶ OMV
 - ▶ OMV Gas GmbH, Austria
- ▶ MOL
 - ▶ MOL Natural Gas Transmission Ltd., Hungary
- ▶ Transgaz
 - ▶ S.N.T.G.N. Transgaz S.A., Romania
- ▶ Bulgargaz
 - ▶ Bulgargaz EAD, Bulgaria
- ▶ BOTAS
 - ▶ Botas Petroleum Pipeline Corporation, Turkey



Nabucco Gas Pipeline

Strategic Goals of Project

- ▶ Opening a new gas supply corridor for Europe from Middle East and Caspian regions
- ▶ Raise transit profiles of participating project countries
- ▶ Contribution to security of supply for partner countries and for Europe as a whole
- ▶ Strengthening the turntable position of Austrian pipeline grid and the Hub Baumgarten within the European network

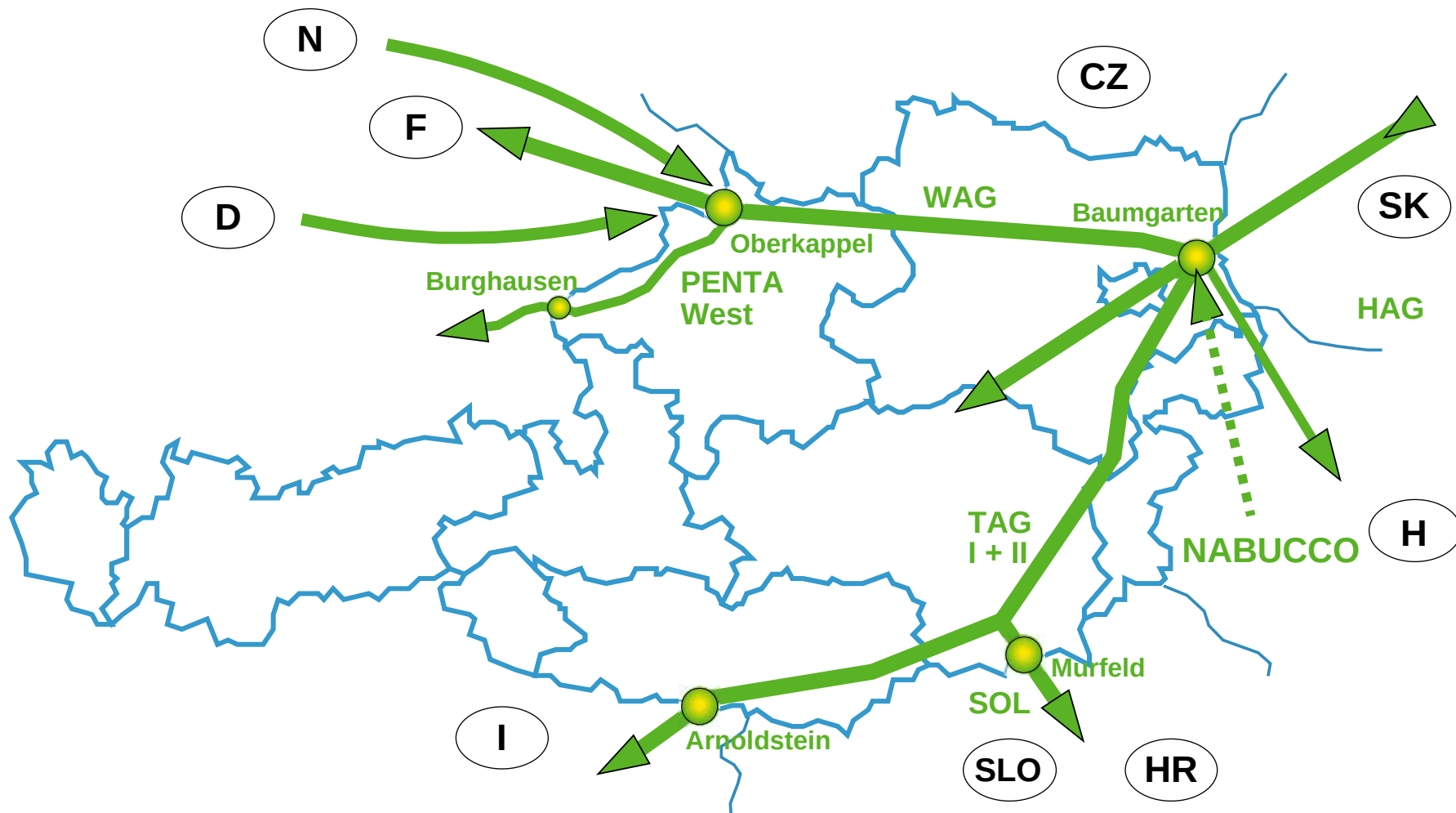
Nabucco Gas Pipeline

Proposed route



Source: OMV Gas GmbH, May 2004

OMV Gas GmbH - Transmission Pipelines through Austria



Nabucco Gas Pipeline

Basic Pipeline Data

Length of the Pipeline **appr. 3,200 km**

Expected capacities (2020)

Total capacity Turkey	25,5 – 31,0 bcmy
Expected offtake in Transit countries	12,0 – 15,0 bcmy
Total capacity to Austria Baumgarten	13,5 – 16,0 bcmy

Total Investment for plateau level **4.6 billion EUR**

Nabucco Gas Pipeline

Time schedule / Milestones (1)

REALIZED

- ▶ Interim market study was finalised in 2H 2003 and the technical and environmental studies started
- ▶ 1H 2004 saw first results of the Technical Working Group and initial considerations on legal and tax issues
- ▶ Nabucco Company Pipeline Study GmbH, Vienna was found as Joint Venture of the five partners in February 2004.
- ▶ Review of market study and refining of business model by end of June 2004
- ▶ Appointment of ABN Amro as financial advisors to project in July 2004

Nabucco Gas Pipeline

Time schedule / Milestones (2)

TO BE REALIZED

- ▶ Foreseen steps for the Q4 2004:
 - ▶ Finalisation of all study phases
 - ▶ Final results of technical working group
 - ▶ Final run of business model
 - ▶ Completion of financial feasibility study
 - ▶ Assessment of legal frameworks and tax issues
 - ▶ Negotiations with shippers

➡ **Basis for decision of the project partners how to proceed with the project.**

Nabucco Gas Pipeline

TO BE REALIZED

Finalisation of Feasibility Study End 2004

Detailed Technical Design /
Environmental Assessment Study 2005 – Mid 2006

Construction to begin around 2H 2006

Construction completed and pipeline operational around End 2009

Prerequisites for realisation of the Nabucco Gas Pipeline Project

- ▶ Prerequisite I:

A clear, stable and long term foreseeable Regulatory Framework.

- ▶ Prerequisite II:

A sound and harmonized multilateral Legal Framework