



NABUCCO GAS PIPELINE PROJECT

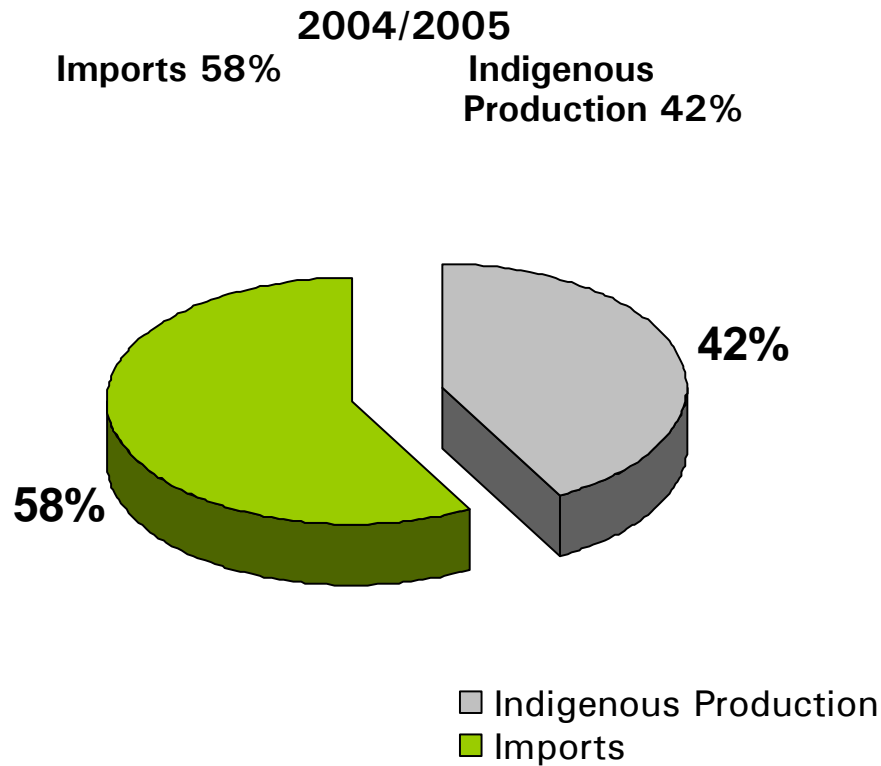
Gas Bridge between Asia and Europe



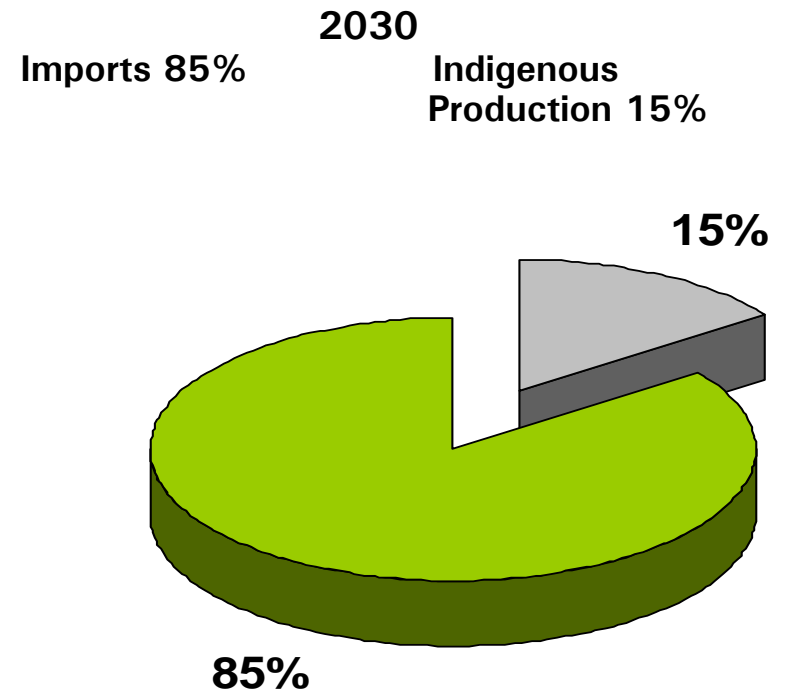
Nabucco Gas Pipeline Project



Sources of Natural Gas Supply - European Union



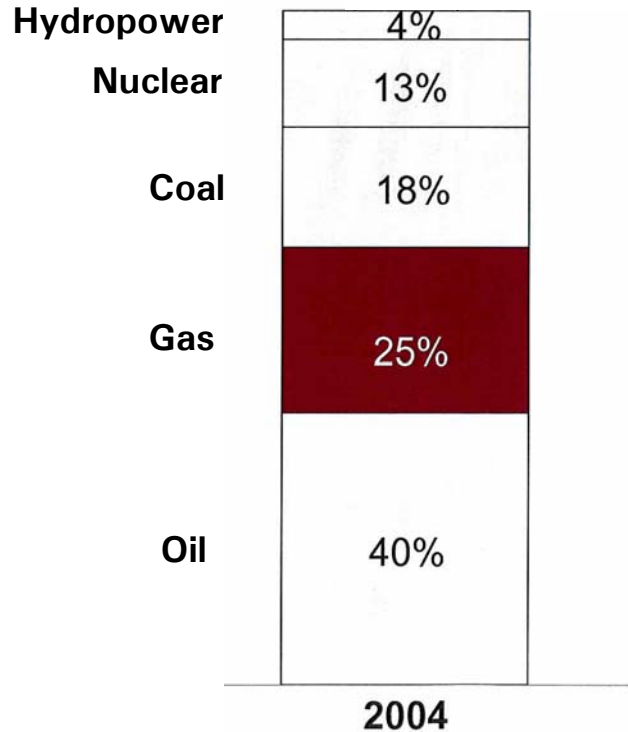
Source: European Commission, Competition DG; Energy Sector Inquiry/Draft Preliminary Report



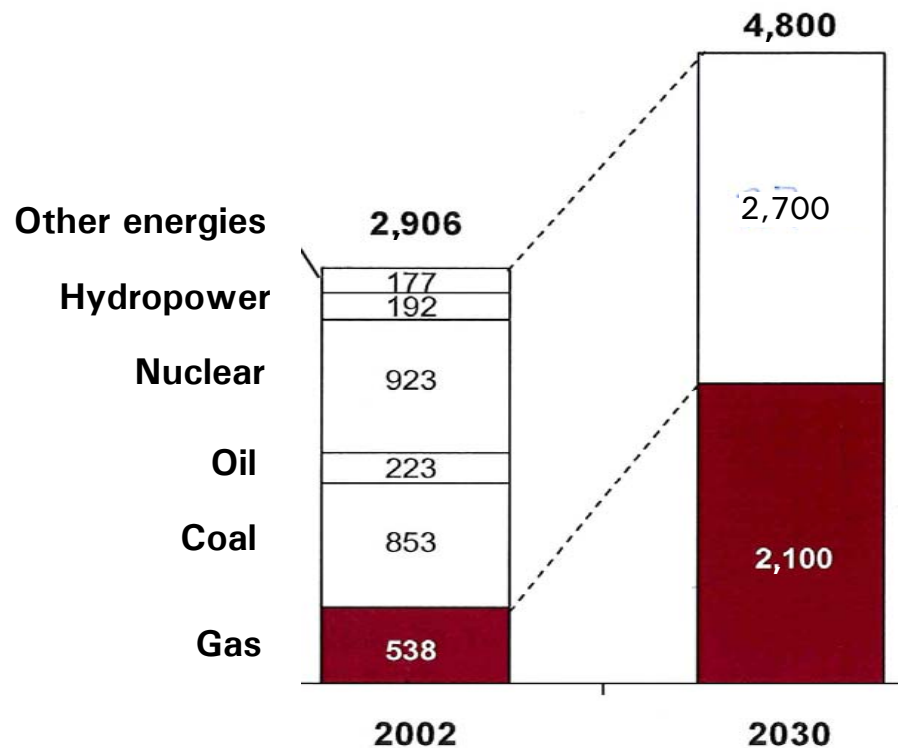
Source: Study A.T. Kearney, „Russland am Gashahn“, January 2006

Primary Energy Sources European Union

**Energy consumption
Primary Energy Sources**



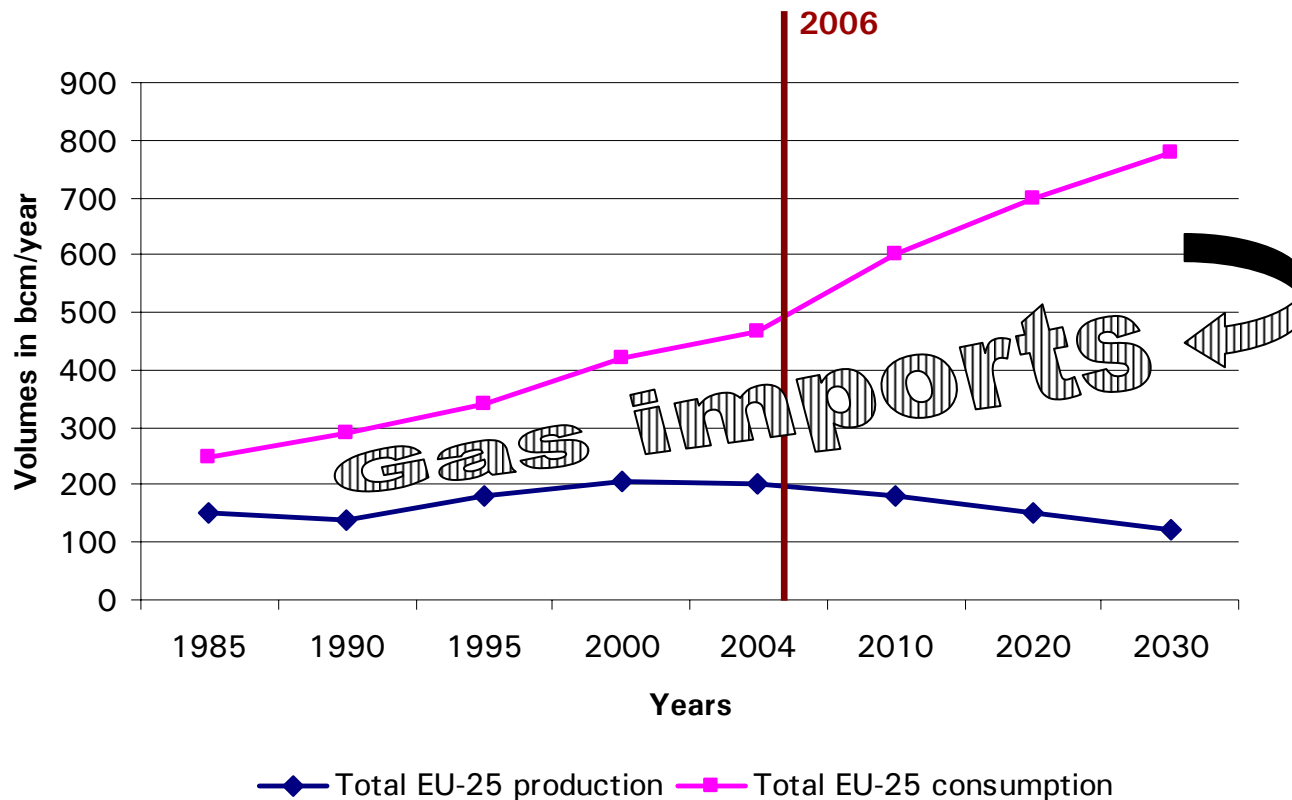
**Production Electricity
Primary Energy Sources (TWh)**



Source: Study A.T. Kearney, January 2006
 Source: BP statistical Review of World Energy 2005

Gas imports to European Union

Gas imports to Europe are increasing considerably

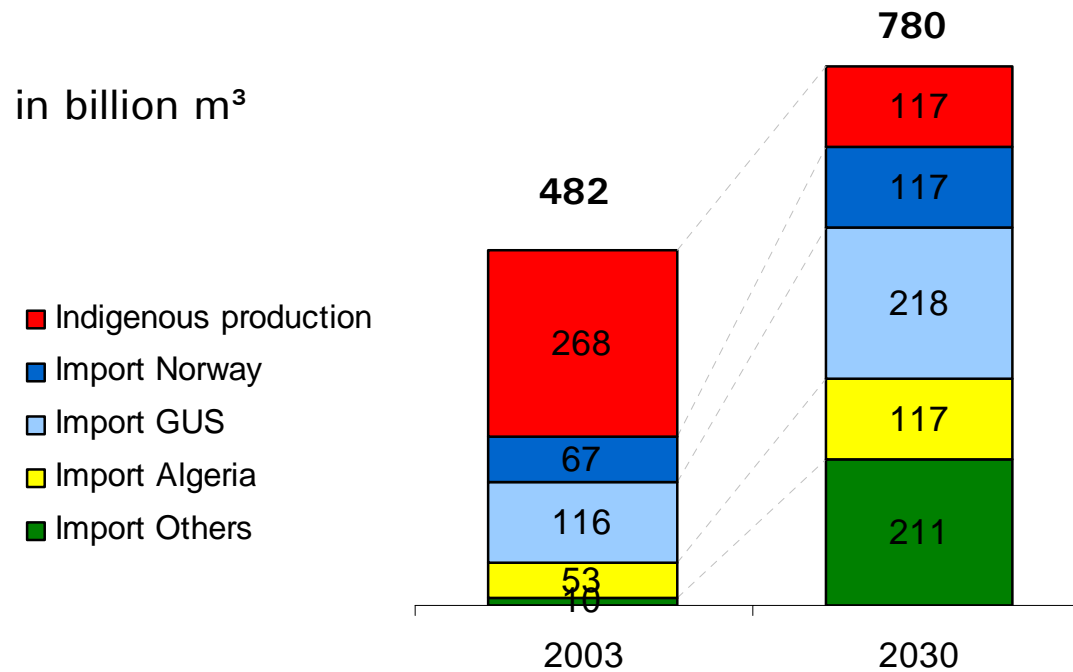


Source: European Commission, Competition DG, Energy Sector Inquiry/Draft Preliminary Report

Source: BP Statistical Review 2005

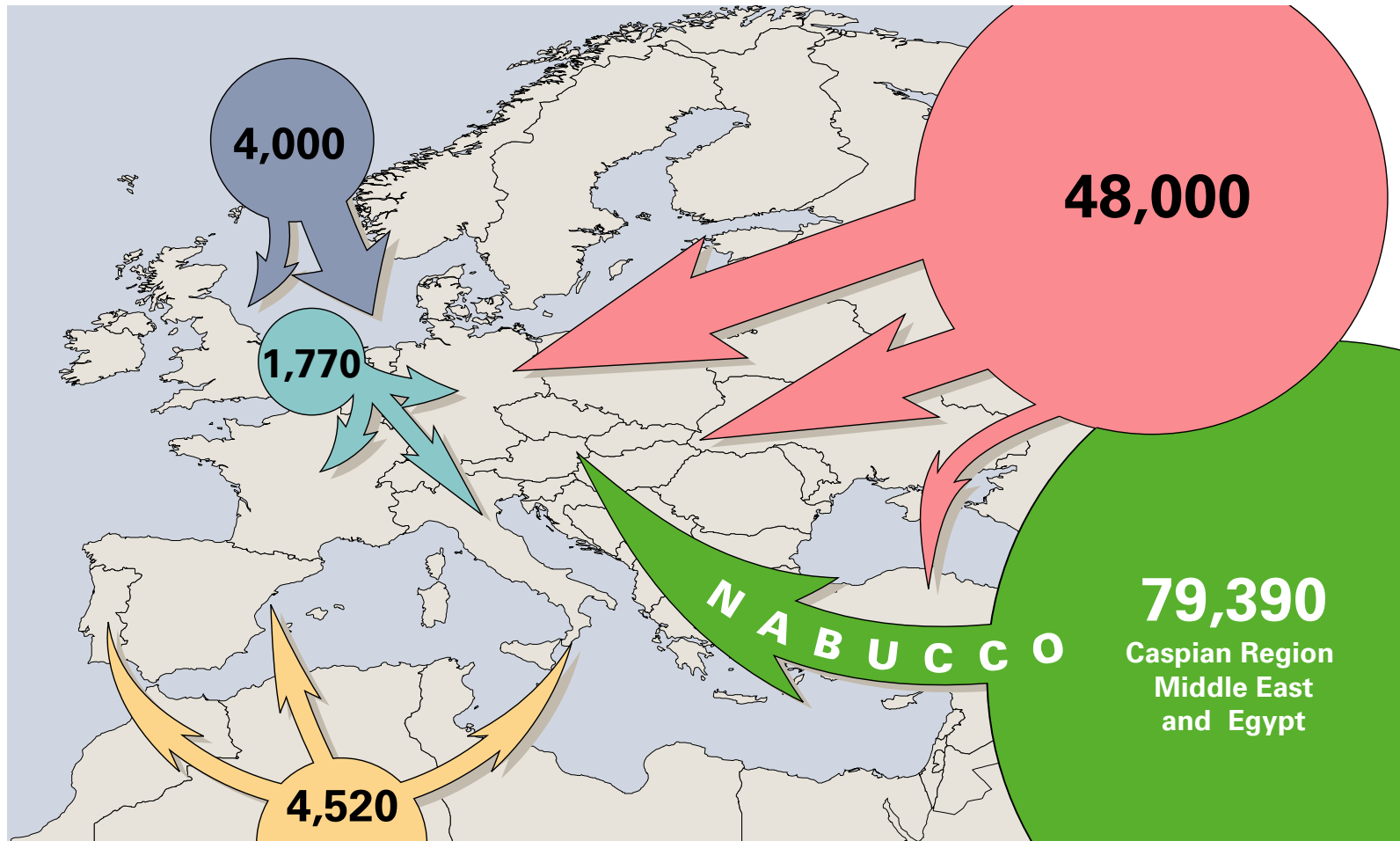
Source: Study A.T. Kearney, „Russland am Gashahn“, January 2006

Forecast of Gas Supply – European Union



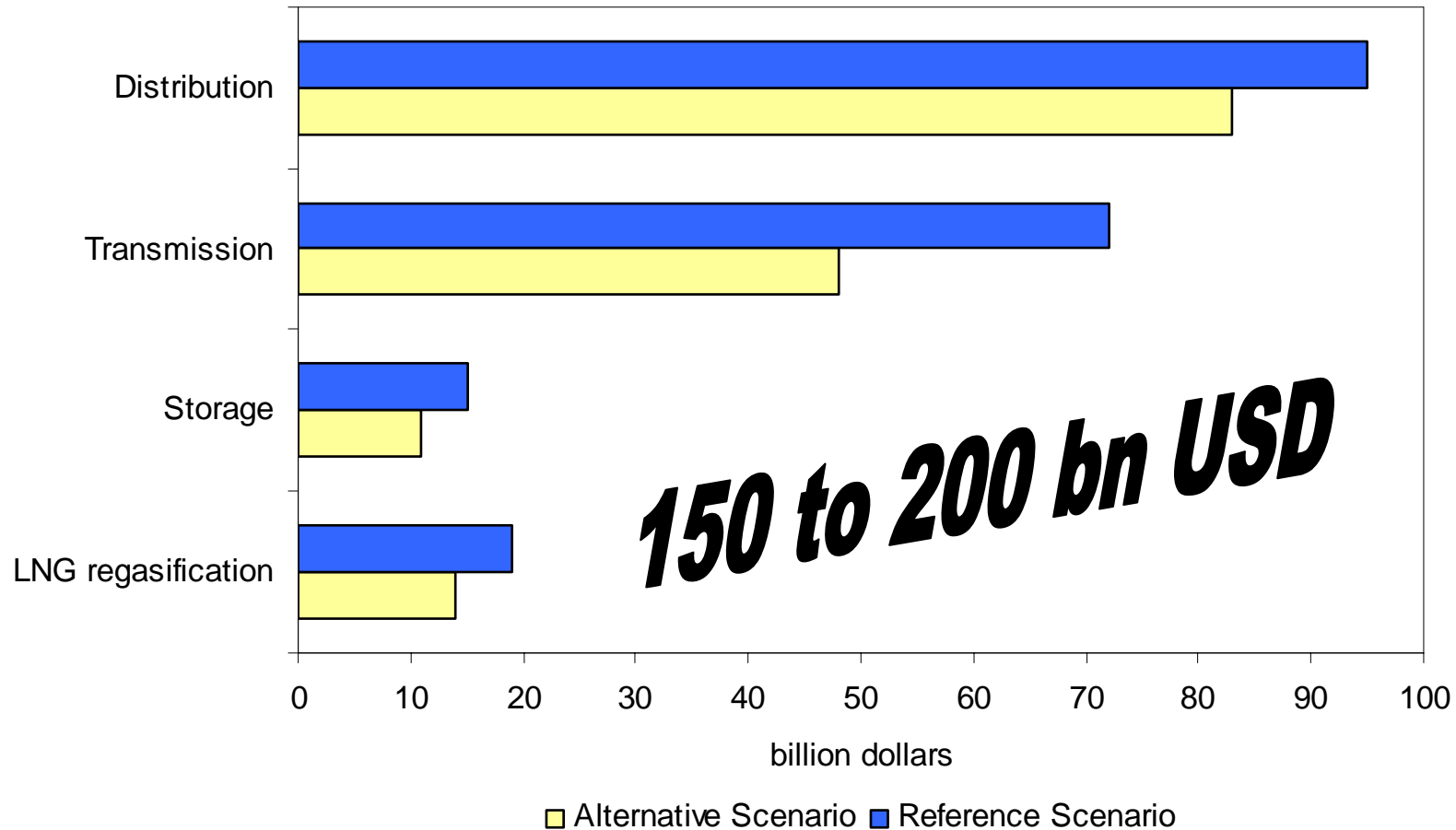
Source: Study A.T. Kearney, „Russland am Gashahn“, January 2006

Missing link between giant gas sources (in bcm) and potential markets



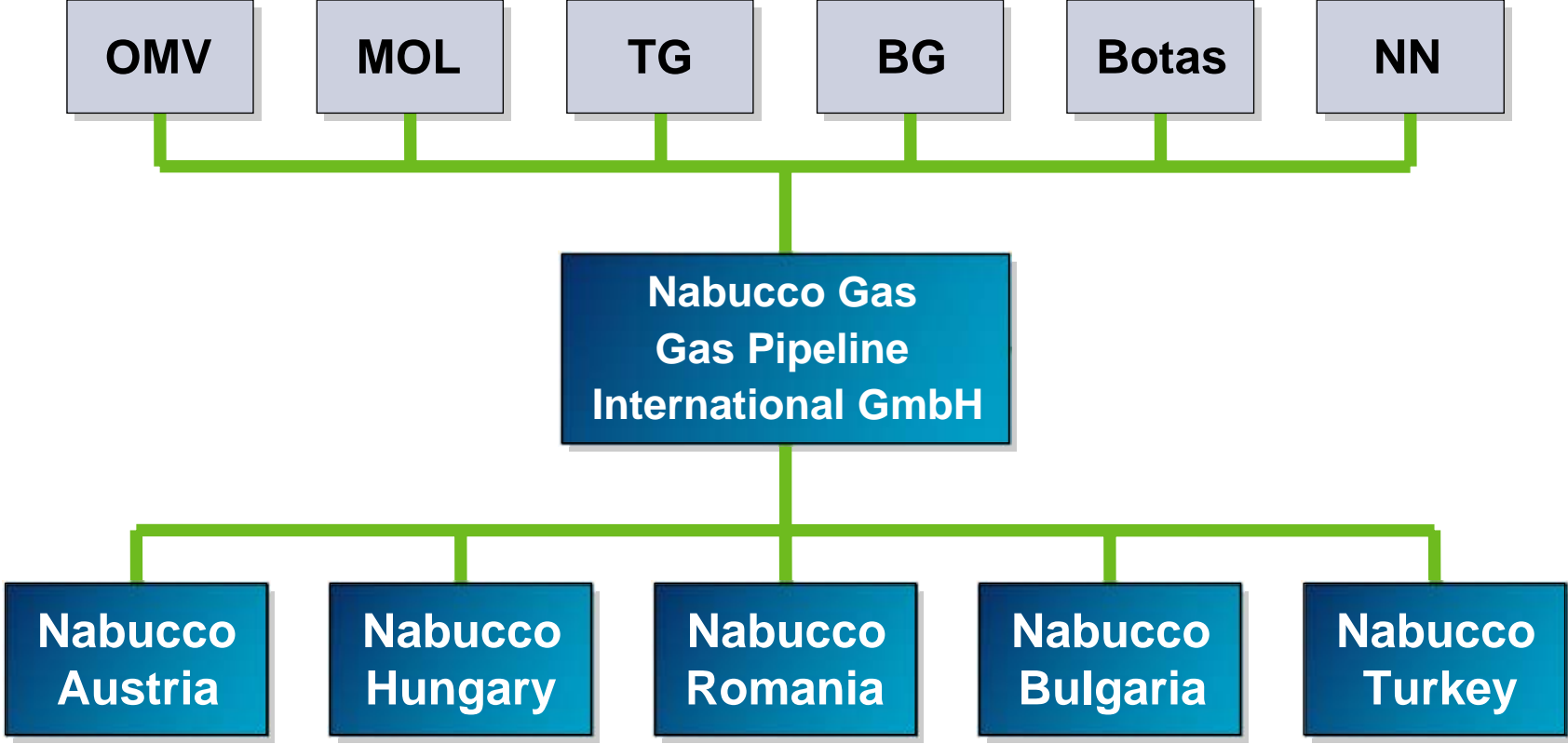
Source: BP Statistical Review 2005

New projects / Investment needs



Source: International Energy Agency (2002a).

Nabucco company structure



Nabucco Gas Pipeline Project

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 and for partner countries and for Europe as a whole
- ▶ Diversification of gas supply routes
- ▶ Strengthening the turntable position of Austrian pipeline grid and the Hub Baumgarten within the European network

Nabucco Gas Pipeline Project

New gas transmission possibility

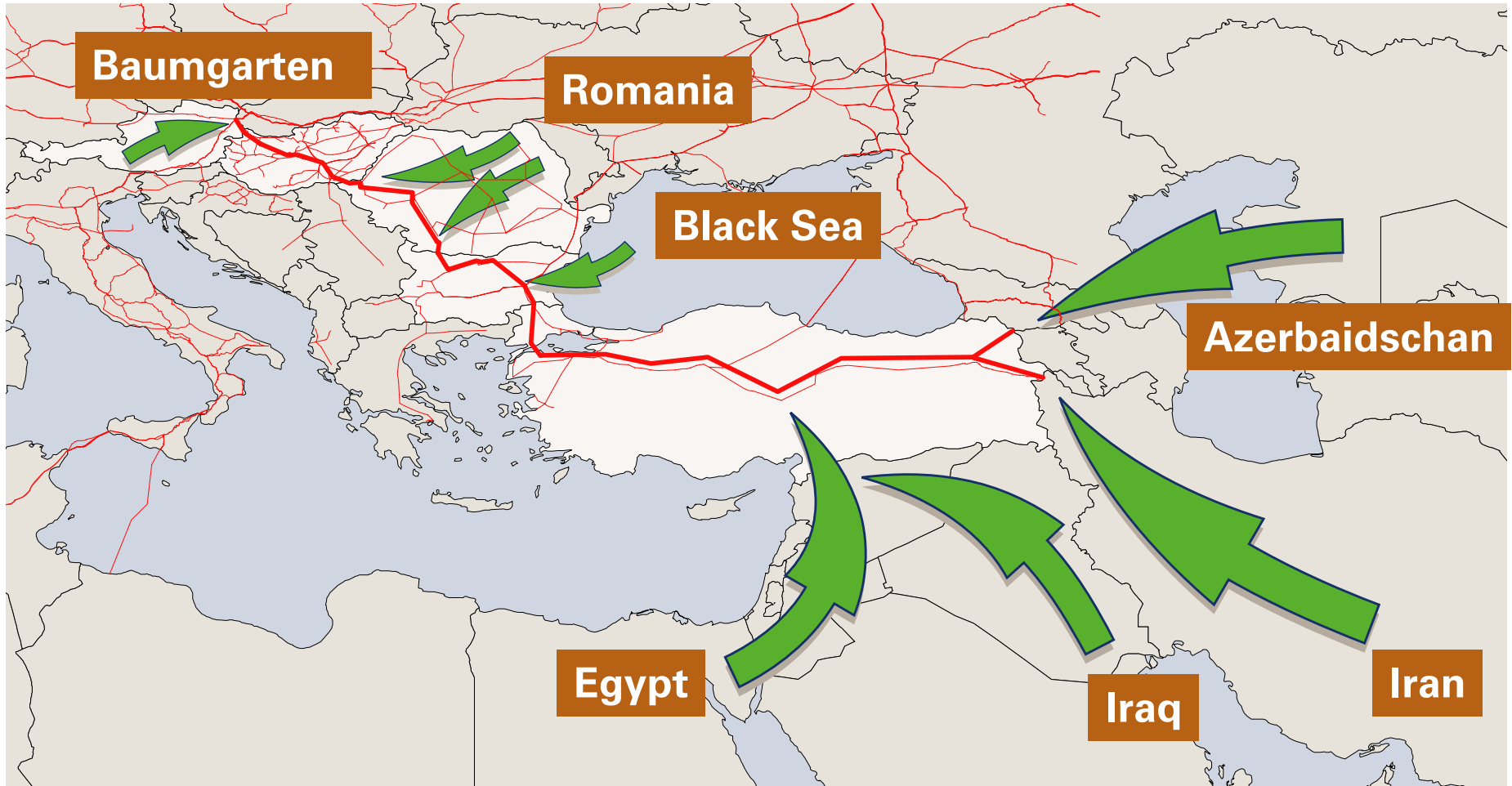


Nabucco Gas Pipeline Project Construction



Nabucco Gas Pipeline Project

Gas Supply Sources for Nabucco



Nabucco Gas Pipeline Project

Progress so far

- ▶ Conclusion of Joint Venture Agreement
- ▶ Establish Nabucco Gas Pipeline Internat. GmbH
- ▶ Final decision on corporate structure
- ▶ Start up of negotiations with potential shippers
- ▶ Establish short list for potential add. shareholders
- ▶ Set up basic documents application for exemption
- ▶ Start up of negotiations with financial institutions

Nabucco Gas Pipeline Project Objectives 2006

- ▶ Implementation of one or two new shareholder(s)
- ▶ Conclusion of transport contracts for 6 to 8 bcm/y
- ▶ Approval for exemption based on Art 22 of Gas Directive / ECSEE-Treaty
- ▶ Foundation of National Nabucco Companies
- ▶ Start up of negotiations with financial institutions
- ▶ Start up of Basic and Detail Engineering

Nabucco Gas Pipeline Project

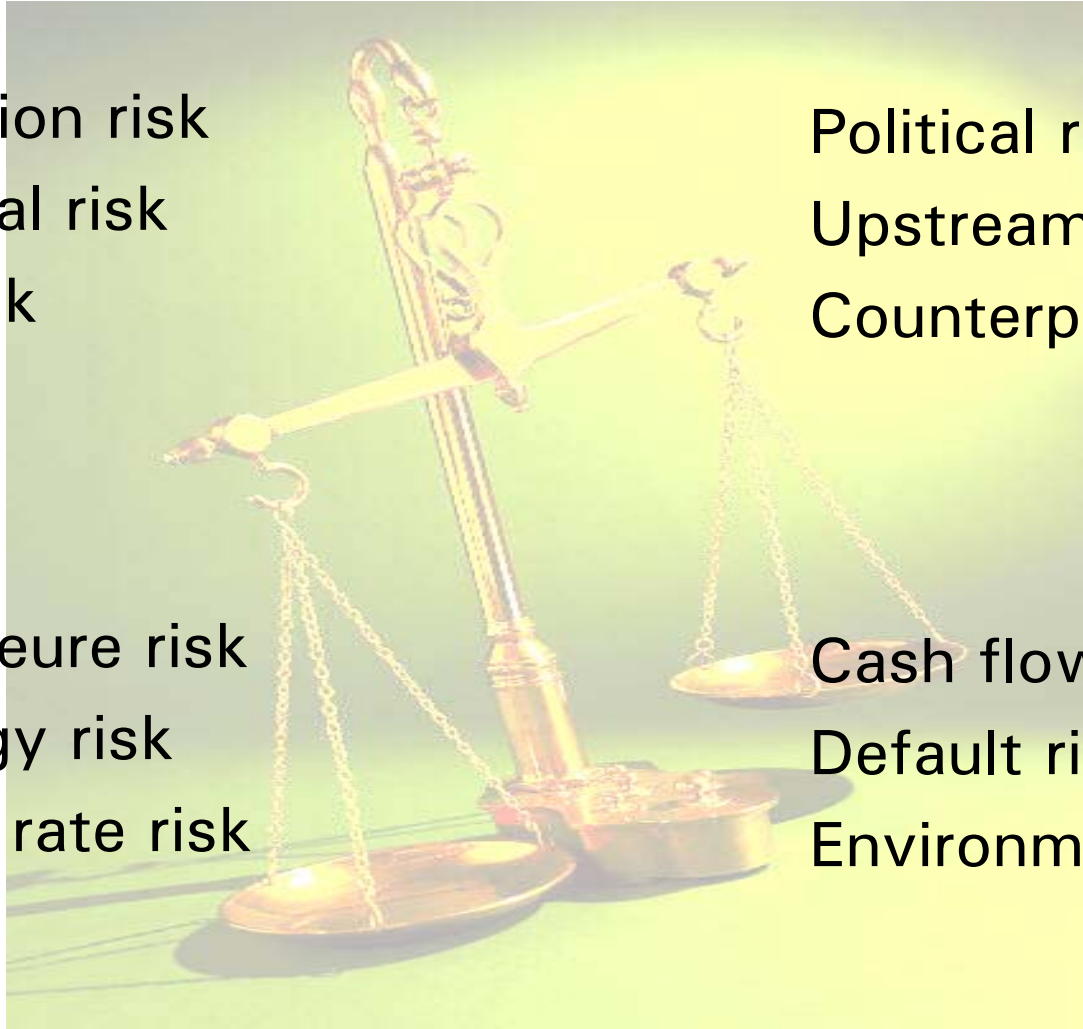
Risk Allocation – a balancing exercise

Construction risk
Operational risk
Market risk

Force majeure risk
Technology risk
Exchange rate risk

Political risk
Upstream risk
Counterparty credit risk

Cash flow risk
Default risk
Environmental risk



Source: Norton Rose, Presentation at Fourth Asia Gas Partnership Summit on February 20th, 2006

Nabucco Gas Pipeline Project

Prerequisites of utmost importance for the project

- ▶ Harmonized legal framework to reach a sound investment climate in the region of SEE
(Intergovernmental Agreement)
- ▶ Stable, long term foreseeable regulatory framework
(ECSEE Treaty)
- ▶ Granting an **exemption** to safeguard the economics of the project

Contact

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