

Q&A

Frequently asked questions

1. Why Nabucco?

The demand for gas in Europe is expected to increase considerably in the upcoming two decades. Sufficient gas reserves are available around Europe to meet this future increase in demand for European gas - which is not unexpected. The biggest challenge, however, is how this gas can best be transported to consumers. At present sizeable enough capacity does not exist for transporting these gas volumes to European gas markets. Additionally the only region with rich gas reserves, and which is not yet connected with the European markets via pipeline, is the Caspian Region, Middle East and Egypt. Nabucco - a pipeline project connecting Turkey with Austria via Bulgaria, Romania and Hungary - is the answer to the challenge outlined above and consequently will open up a new supply route for Europe.

2. When will construction start?

Construction will start 2011 first gas will flow 2014.

3. When will it be finished?

Nabucco will be built in two steps. The first step is split into two phases. First gas transports will start in 2014, when phase one of the initial construction programme is finished. This means building a new pipeline from Baumgarten near Vienna via Hungary, Romania, Bulgaria to Ankara and then utilising the existing Botas-Pipeline from Ankara eastwards. The second construction phase of step one will continue from 2014 to 2015 and includes constructing the passage between Ankara and the Turkish border (to Georgia and Iran respectively). In Construction Step II (2017 to 2019) the final pipeline capacity will be reached by the installation of further compressor stations.

4. Where will the gas come from?

As domestic production of gas is decreasing very dramatically all over Europe, in order to meet future demand, new infrastructure sources have to be established with the European gas markets. In this respect the Caspian Region and the Middle East with their vast gas reserves as well as Egypt will play a crucial role both in terms of diversification of supply as well as security of supply for Europe. The opening up of a fourth main supply corridor is the only solution to meeting all Europe's future gas demands. Consequently this route offers a wide range of supply sources for the Nabucco gas pipeline, receiving gas from the Caspian Region, Egypt, Russia and even from Iran and Iraq at a later point in time.

5. Will Nabucco buy any gas?

No, Nabucco Gas Pipeline International Ltd. is a company which has been set up to develop, establish and construct the Pipeline. The gas will be delivered by shippers, which will be buying transport capacities. They will be who decide where the gas comes from.

6. Will there be Russian Gas in Nabucco as well?

As we mentioned, Nabucco will not buy any gas. But we do not exclude any supply source for Nabucco. That's why we are open for Russian Gas as "add on" to other sources. Nabucco will treat all sources equally.

7. What are Nabucco's strategic objectives?

- To open a new gas supply corridor for Europe and for the countries involved in the project, delivering very cost-effective gas sources.
- To raise the transit profile of the participating countries along the route.
- To contribute to the security of supply for all partner countries, and also for Europe as a whole.
- To strengthen the role of the gas pipeline grids of all Nabucco partners in connection with the European gas network.

8. Who are the Nabucco partners?

OMV (Austria), MOL (Hungary), Transgaz (Romania), BEH (Bulgaria), Botas (Turkey), RWE (Germany)

9. What about a 7th Partner?

We always stressed, that Nabucco is open for a 7th Partner, if he further strengthens the project. But this discussion is not on the table right now.

10. How long is Nabucco in each country?

- Total length: 3,300 km
- Turkey: 2,000 km
- Bulgaria: 400 km
- Romania: 460 km
- Hungary: 390 km
- Austria: 46 km

11. Basic Nabucco Design Data?

Max. capacity: 31 bcm/y - Operating pressure: PN 90 bar - Number of pipes: 200 000

12. What is the Intergovernmental Agreement?

The Intergovernmental Agreement was signed in Ankara on July 13th 2009. It marks an important milestone in the Nabucco development. It is a political agreement between the governments of the Nabucco transit countries - Austria, Hungary, Romania, Bulgaria and Turkey. It harmonizes the legal framework as it grants stable and equal transport conditions for all partners and customers.

13. What is an open season process, and how does it work?

"Open Season" is the name of a tender procedure and contains two steps. In the first step, the offer is addressed to the shareholders and associated companies for an amount up to 15 bcm - fifty percent of

Nabucco's maximum transport capacity. In the second step, Nabucco will offer the other 50 percent to external companies ("third party access"), offering them the same conditions and transparency. In this procedure all market participants will have the possibility of securing long-term contracts. Open Season will start early 2010. The entire "Open Season" process will last around six months.

14. What are the next Steps?

The next steps will proceed in parallel. Currently the Local Feed Engineers are working on the detailed technical planning in each country. The Owner's Engineer Penspen from London was appointed 2007 to coordinate these processes. The outcome of the screenings will be the basis for the Environmental and Social Impact Assessment. At the same time the Project Support Agreement between NIC, the National Nabucco Countries (NN's) and the respective governments will be concluded. In 2010 the Open Season Process will start, where long-term supply contracts will be signed.

15. How did the project receive its unusual name?

The first Nabucco meeting took place in Vienna. After the meeting the Consortium - at that time consisting of OMV, MOL, Transgaz, Bulgargaz and Botas - went to Vienna State Opera and enjoyed Nabucco from Giuseppe Verdi. Subsequent the Consortium went to dinner and when talks came to a potential name for die Pipeline, everyone agreed that it should be Nabucco.