

**Nabucco Gas Pipeline -
Enabling Cross Border Gas Flows to
Europe via Turkey**

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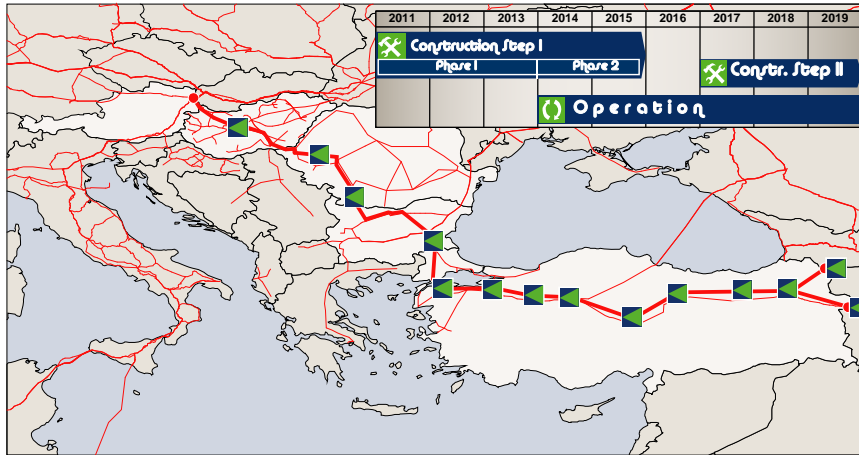
NABUCCO GAS PIPELINE PROJECT

Gas Bridge between Caspian Region / Middle East/Egypt and Europe

www.nabucco-pipeline.com



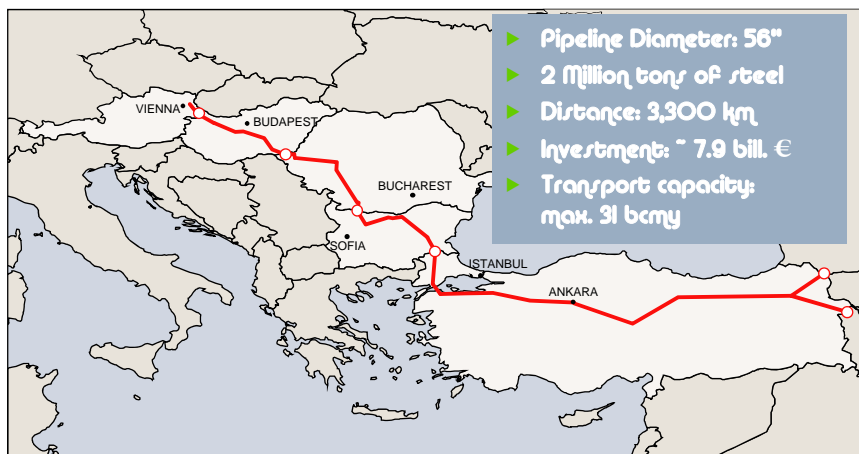
Nabucco Gas Pipeline Project Construction



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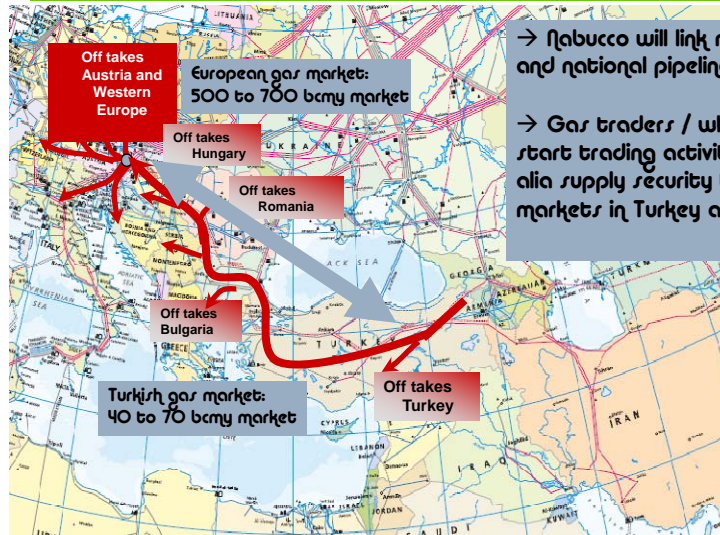
Nabucco Gas Pipeline Project New gas transport corridor - Pioneer Project



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Nabucco as a multi entry-exit-pipeline system Nabucco will reduce market risks by diversification



→ Nabucco will link regional markets and national pipeline grids

→ Gas traders / wholesalers will start trading activities providing inter alia supply security to the related markets in Turkey and in Europe

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Nabucco Gas Pipeline Project Market Effects for Turkey and for Europe

- ▶ Multi sourcing approach increase security of supply
- ▶ An alternative gas transport route will mitigate risk of transit and increase the interconnectivity, especially in SEE
- ▶ Third Party Access will strengthen competition
- ▶ The acquisition of new gas sources will enhance liquidity of the market
- ▶ Physical Flows and gas swaps between traders together with Flexibility services will provide a variety of business opportunities for all European Countries

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Nabucco Gas Pipeline Project Effects for producers in Central Asia and Middle East

- ▶ A broader export portfolio will increase independence of producers
- ▶ A bigger number of gas buyers will increase competition
- ▶ Enhanced business activities between Europe, Turkey and gas producers will provide opportunities for investments for all involved
- ▶ The exchange of know how between all players in the gas chain will increase efficiency
- ▶ The built up of long term contracts will provide positive effects in the overall industry and the state economies will benefit

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Nabucco Gas Pipeline Project Results reached so far

- ▶ EU Funding for Feasibility study and pre-engineering
- ▶ Application and ongoing approval process for Exemption
- ▶ Owner's Engineer engaged, December 2007
- ▶ Implementation of RWE as 6th shareholder, February 2008
- ▶ Execution of Market Sounding, June/July 2008
- ▶ Signing of the Intergovernmental Agreement, July 2009

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Nabucco Gas Pipeline Project Results of the Market Survey

- ▶ 54 shippers have been contacted by NLC
- ▶ 16 shippers gave a concrete answer on a non-binding basis about their interest in capacities

CONCLUSION:

Capacity is much over the planned design capacity of 31 bcm/y (For the HIGH CASE).

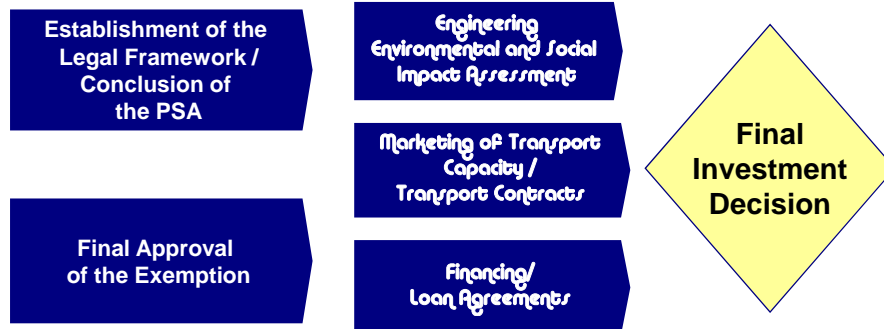
Demand pattern is focusing on start-up period of Nabucco (essential for financing).



Nabucco Gas Pipeline Project Intergovernmental Agreement - stable legal framework

- Political agreement among the Nabucco transit countries, Austria, Hungary, Romania, Bulgaria and Turkey signed in Ankara July 13th 2009
- Guarantees Full political support. Agreement is valid for 50 years
- Ensures equal legal conditions for gas transit throughout the entire Nabucco pipeline system
- Lays down transport tariff methodology and rules for network access
- Establishes political committee comprising representatives of all signatory countries to support development of the project

Nabucco Gas Pipeline Project Political Support is of utmost importance



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