

Brief Description

Nabucco is the first pipeline that will connect the world's richest gas region – the Caspian region and the Middle East - with the European gas market. European gas demand is expected to increase considerably in the upcoming two decades, while the European production is declining. Unutilized reserves around Europe are available, but the challenge is to transport the gas to the consumers. The pipeline will start at the eastern border of Turkey, run through Bulgaria, Rumania and Hungary to end in Baumgarten, close to Vienna. When completed, the pipeline's annual capacity will be 31 bcm over a length of 3.300 km. The main strategic goals are:

- Opening a new gas supply corridor for Europe
- Raise the transit role of the participation countries along the route
- Contribution to the security of supply for all partner countries
- Strengthening the role of the gas pipeline grids

Nabucco Shareholders are RWE (Germany), OMV (Austria), MOL (Hungary), Transgaz (Romania), Bulgargaz Holding (Bulgaria) and Botas (Turkey). Each shareholder holds an equal share of 16.67 % of Nabucco Gas Pipeline International GmbH. Estimated construction costs are EUR 7.9 billions. Approximately 30% of the investment will be paid by consortium partners (equity capital). 70% will be provided by lenders (bonded capital). From those 70% will one third be provided by international institutions like European Investment Bank or European bank for reconstruction and development. In the second group are different agencies and banks that support export of different supplier's countries. Rest will be carried out by commercial finance institutions.

Nabucco is an enabling Pipeline and follows a multi-sourcing approach. The project will provide the technical options to transport gas from various sources, like the Caspian Region or the Middle East. Nabucco Gas Pipeline Int. is responsible for the construction and development of the project. Due to European law Nabucco Gas Pipeline Int. will not buy or trade any gas. Our transport customers will do so and they have to decide which sources they will approach.

In preparation for the open season process – a capacity allocation on binding bases - Nabucco conducted a market survey in July 2008 with all potential shippers on a non binding basis. The demand for long term contracts was twice as high as the capacities. During the open season process 50 percent of the transport capacities will be offered to third parties and 50 percent to the consortium partners. The owner's engineer was already announced at the end of 2007 and detailed planning is on its way. Construction will start in 2010, first gas will flow 2013.