

Nabucco updates investment expectations

Start of market sounding in preparation of open season process

- *The Nabucco Consortium recently undertook a CAPEX update based on an actual market survey amongst major material and service supplies*
- *The high price of crude oil and rising demand for steel cause increase of investment. Nabucco requires 2 mn tons of steel, 200,000 pipes and more than 30 compressor units.*
- *Nabucco´s competitiveness is unaffected since high demand for energy will increase the profitability of energy projects.*

May 29, 2008: Reinhard Mitschek, Managing Director of Nabucco Gaspipeline International as a result of the decision of the running Steering Committee Meeting said: "The Nabucco feasibility study, undertaken 2005, anticipated an investment requirement of about EUR 5 bn for the construction of the whole length of the Pipeline. Since then, crude oil prices have more than doubled - which consequently has also led to higher prices for all primary energy sources – also prices for steel. In addition, steel is in high demand because of the large numbers of big projects and steel companies also capitalize on this high demand".

The project investment costs for Nabucco to build a 3,300 km long pipeline to carry 31 bcm of natural gas are now expected to reach EUR 7.9 bn as of the figures of today.

The altered forecast is the outcome of a recent capex update for the Nabucco consortium, based on an actual market survey amongst major material and service supplies. Such investment increases are in line with all major infrastructure projects which require a high amount of raw materials as all are facing the same pricing challenges. However, the competitiveness and the economics of the project will be unaffected. High demand for energy leads to higher gas prices as well and therefore also to higher transportation fees which make Nabucco considerably profitable.

Shortly, Nabucco Gaspipeline International GmbH will start a market sounding in preparation of the open season process. So far the market has shown big interest in the provided capacities. Nabucco Gaspipeline International GmbH has already signed various Letters of Interests with potential shippers. This market sounding will now be adressed to all potential shippers to deliver their interests and to receive their feedback for further analyses. The market sounding is non-binding process and is expected to start mid of June 2008.

Notes to editors:

OMV Gas & Power GmbH

OMV Gas & Power is OMV's central company for the gas- and power business. OMV Gas & Power with the business units Gas Supply, Marketing & Trading (with the subsidiaries EconGas and Petrom's gas activities), Gas Logistics (with the subsidiaries OMV Gas, Nabucco Gas Pipeline International, Adria LNG) and the Central European Gas Hub is one of the leading gas trading and logistics companies in Central Europe. The establishment of the newly set up business unit Power (with the subsidiary OMV Power International) is a result from the entry into the power business and the consequent expansion of the value chain. In the business unit Gas Supply, Marketing & Trading in 2007 OMV Gas and EconGas sold 7,8 bcm, Petrom Gas sold 5.0 bcm. The sold transportation capacities in transit lines in Austria amounted to approximately 52 bcm gas per year. In addition to supplying gas for Austria, these lines carry gas to Germany, Italy, France, Slovenia, Croatia and Hungary. OMV is therefore an important component of Europe's gas network, and thus a central gas turntable for Europe. With an exchanged volume of 17.7 bcm in 2007, the Central European Gas Hub developed into one of the three most important gas platforms in continental Europe.

MOL

MOL Hungarian Oil and Gas Company is a leading integrated oil and gas group in Central and Eastern Europe with clean EBITDA of USD 2.1 bn in 2006, corresponding to 27.2 % ROACE on an after tax basis. Starting with Exploration and Production of crude and natural gas the core activities of MOL cover the whole value chain: MOL also engages in refining, transportation, storage and distribution of crude oil as well as in importation, transportation, storage and wholesale trading of natural gas and other gas products. MOL is market leader in each of its core activities in Hungary and Slovakia. MOL's main objective is to provide superior levels of shareholder return by fully exploiting its market potential, by implementing a dynamic development and expansion strategy and by realising where possible the potential for further internal efficiency improvements.

TRANSGAZ

The Romanian National Gas Transmission Company Transgaz, with its headquarters in Medias, has been established in April 2000, as a result of a legal unbundling of the former vertically integrated national gas company Romgaz. The registered capital of Transgaz is owned 75 % by the Romanian state, represented by the Ministry of Economy and Finance, 15 % by the Proprietatea Fund and 10 % was listed on the Romanian stock exchange on January 2008. The main object of activity is the natural gas transmission, dispatching and international transit, as well as research and design in the natural gas transmission field. Over the last four years, through the National Transmission System natural gas quantities between 16 bcm (2003) and 15.2 bcm (2006) have been transported. Currently Transgaz operates over 12,500 km of pipelines. The turnover of the company for the year 2006 was EUR 268.8 million.

BULGARGAZ Holding

Bulgargaz Holding EAD (former Bulgargaz EAD) is a sole owner joint-stock company with a 100 % Bulgarian state ownership. The Holding is managed by a Board of Directors, consisting of 5 members and represented by Chief Executive Officer. The structure of Bulgargaz Holding EAD includes three subsidiaries: Bulgartransgaz EAD, Bulgargaz EAD, BulgarTel EAD, the capital of which is 100 % owned by the Holding: Bulgartransgaz EAD is the proprietor and operator of the gas-transmission network on the territory of the country, including also an underground gas storage. The total length of the main gas pipelines are over 2,645 km including the national gas transmission network comprising over 1,700 km of gas pipelines, 10 compressor stations and 68 gas pressure-reduction stations. Bulgartransgaz EAD is also a proprietor and operator of the transit network for transmission of natural gas to Turkey, Greece and Macedonia. A total of 17,1 million m³ of natural gas were transited to the countries of the Balkan region.

BOTAS

The Turkish state owned company Botas is established in 1974 to transport the Iraqi crude oil to the Gulf of Iskenderun. With its headquarter in Ankara and some 2,700 employees, Botas is organized throughout

Turkey to operate crude oil and natural gas systems efficiently. Botas operates around 10,000 kms of gas pipeline within the country that will reach to some 12,000 in a couple of years with the completion of construction works. After the completion of the Baku-Tbilisi-Ceyhan (BTC) Crude Oil Pipeline, the total oil pipeline system operated by Botas reached to 3,400 kms. Existing transportation capacity of 80.2 million tons of oil would reach 130.2 million tons per year through the operation of BTC. Being also a trader of natural gas, through 8 separate sales-purchase contracts with companies from 6 different countries, Botas imported and sold some 35 billion m³ natural gas in 2007, 5.5 billion m³ of this amount being LNG.

RWE AG

RWE AG is one of Europe's leading electricity and gas companies. In fiscal 2006, the Group's 69,000-strong workforce generated some €44 billion in revenue. RWE's major power generation, sales and trading markets are in Germany, the UK and Central Eastern Europe. RWE Gas Midstream GmbH has been responsible for the economic optimisation of the entire non-regulated gas business of the RWE Group with respect to acquisition, transport and storage since January 2007. In order to fulfil this goal, the company is engaging in pipeline projects and intensifying its business relationships with pipeline gas suppliers as well as with LNG suppliers. The RWE Group handles a 40 bcm/a supply portfolio in Europe, operates gas pipelines of more than 100,000 km in length and gas storages with a capacity of 6.1 bcm. 10 million gas customers and 20 million electricity customers and rely on RWE.

Nabucco Gas Pipeline International GmbH – Further contact

Spokesperson:

Christian Dolezal
Tel.: 0043 1 27 500 -28566
E-Mail: christian.dolezal@nabucco-pipeline.com

Managing Director:

Reinhard Mitschek
Tel.: 0043 1 2700 371 – 28660
E-Mail.: reinhard.mitschek@nabucco-pipeline.com
Internet: <http://www.nabucco-pipeline.com>