

Inter-Governmental Agreement (IGA) guarantees stable legal framework for gas transit

- *Political agreement among the Nabucco transit countries, Austria, Hungary, Romania, Bulgaria and Turkey signed in Ankara*
- *Germany is not transit country and therefore not party to agreement but states full political support*
- *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*

Ankara, 13th July 2009. Reinhard Mitschek, Managing Director of the Nabucco Pipeline Int., said: "The completion of the Intergovernmental Agreement represents a significant breakthrough in the realization of this project. The pipeline now has a stable legal basis, and can guarantee gas transit under equal and transparent conditions for all customers."

Werner Auli, Chairman of the Nabucco Steering Committee: "The Intergovernmental Agreement lays down the political and legal foundation for the project. This strong expression of political commitment by all transit countries provides the project company with the confidence needed to take forward and successfully operate the pipeline."

The agreement will provide a stable legal framework for the next 50 years and it has now also been firmly agreed that 50% of the pipeline's capacity will be reserved for the shareholders and the remaining 50% offered to third-party shippers. At the same time, the IGA lays down a standard tariff methodology. These conditions will apply for 25 years after the pipeline commences operation, and guarantee equal access for all market participants. Consequently the IGA provides strong comfort to the potential gas supply countries who are considering selling gas to potential shippers of Nabucco.

The creation of a political committee (Nabucco Committee) will contribute to the efficient implementation of the project and is designed to be central information.

This forum will comprise representatives of the countries signing the agreement. Germany, the European Commission, EIB and EBRD as well as Nabucco Gas Pipeline Int. GmbH will attend as observers.

The next steps in taking forward Nabucco will include both the finalization of agreements like the Project Support Agreement with the detailed technical planning and the social and environmental impact assessments. In parallel, the Nabucco consortium will start negotiations with banks and pursue the marketing of transport capacities in the Open Season Process.

Nabucco project in brief

Nabucco will make a significant contribution to natural gas supply security for Turkey, South-Eastern Europe and Central - and Western-Europe. The pipeline will provide access to new sources of gas for European customers and encourage competition within the international gas markets. The Nabucco gas pipeline will run for over 3,300 km from Turkey via Bulgaria, Romania and Hungary to Vienna, close to the Baumgarten gas hub. Currently, the pipeline shareholders include OMV Gas&Power, MOL, Transgaz, Bulgarian Energy Holding, BOTAS and RWE. The planned capacity for the final development stage is 31 billion cubic meters. The total capital investments based on the project assessments of summer 2008 was EUR 7.9 billion.

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, Gate terminal in Rotterdam) 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 2008 OMV Gas & Power and EconGas sold 7,8 bcm, Petrom Gas sold 5.0 bcm. In addition to supplying gas for Austria, the OMV gas pipeline system carries 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 15 bcm in 2008, the Central European Gas Hub developed into one of the three most important gas platforms in continental Europe.

MOL

MOL Plc. is a leading independent, international and integrated oil and gas company in Central-Eastern Europe, headquartered in Budapest. It has operations in Europe, Middle East, Africa and the CIS member states and it employs over 33.000 people worldwide. MOL also owns 5 highly complex refineries in Hungary, Slovakia, Croatia and Italy with a refinery capacity of 23.5 mtpa and according to Wood Mackenzie global survey, the refineries in Hungary and in Slovakia are the most efficient refineries in Europe. MOL operates over 1500 filling stations in Central and South Eastern Europe. The Group also operates over 5,000 km high pressure natural gas pipeline network in Hungary and is involved in the petrochemical business as well.

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 73,5 % 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 and 1,5% since May 2009. 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.

BEH

Bulgarian Energy Holding EAD (former Bulgargaz Holding 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 a Chief Executive Officer. The structure of the Bulgarian Energy Holding EAD includes seven subsidiaries: Mini Maritsa Iztok EAD, Maritsa East 2 TPP EAD, Kozloduy NPP EAD, NEK EAD, Bulgargaz EAD, Bulgartransgaz EAD and Bulgartel EAD, the capital of which is 100% owned by the Holding. Bulgartransgaz EAD, as a daughter company of BEH EAD, is the proprietor and operator of the gas-transmission network on the territory of the country for transmission of natural gas to Turkey, Greece and Macedonia, including also an underground gas storage. The total length of the main gas pipelines is over 2,645 km, out of which over 1,700 km of gas pipelines are representative of the national gas transmission network. The gas transmission network for local consumers and for transit transmission of natural gas also includes 10 compressor stations and 68 gas pressure-reduction stations. A total of 16,7 billion m³ of natural gas were transited to the countries of the Balkan region in 2008. Bulgargaz EAD, as a daughter company of BEH EAD, possesses the only natural gas public supply licence in Bulgaria. In 2007 Bulgargaz EAD sold on 3,359 billion m³ of natural gas on the domestic market.

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 12,000 km of gas pipeline within the country. After the completion of the Baku-Tbilisi-Ceyhan (BTC) Crude Oil Pipeline, the total crude oil pipeline system operated by Botas reached to 3,400 km. Existing transportation capacity of 80.2 million tons of oil would reaches 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 38 billion m³ natural gas in 2008, 5.2 billion m³ of this amount being LNG.

RWE AG

RWE AG is one of Europe's leading electricity and gas companies, among Europe's five largest utilities. The Group, founded in 1898, is active in the generation and transmission as well as the sale and trading of electricity and gas. 63,000 employees supply 20 million customers with electricity and 10 million clients with gas. In fiscal year 2007, the Group recorded € 42.55 billion in revenue. RWE Supply & Trading GmbH unites RWE's successful wholesale trading activities with the long-term gas procurement, structuring and optimisation business. Thus RWE Supply & Trading GmbH is responsible for the economic optimisation of the entire non-regulated gas business of RWE Group with respect to procurement, transport and storage. In order to reach its goal, the company is engaging in pipeline projects and intensifying its business relationships with pipeline gas suppliers as well as with LNG suppliers. RWE Group currently handles a 40 bcm/a supply portfolio in Europe, operates gas pipelines of more than 23,000 km in length and gas storages with a capacity of 6.1 bcm.

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