



OMV lead company for natural gas and power

- ▶ **Modern, high efficient pipeline network and central gas turntable in Europe**
- ▶ **Energy supplies are secured through diversification and gas storage**

In recent years, European gas markets have undergone fundamental structural changes. The expansion of renewable power generation capacity and high utilization of coal-fired power plants have contributed to a reduced gas demand in Europe. Particularly in Western Europe, gas markets have been characterized by rising liquidity and strong competition. These changes have also had repercussions for OMV's gas and power business. However, as the cleanest fossil energy source, gas will play an important role in the energy mix of the future.

Gas & Power optimizes the position of OMV in the gas and energy business. The strategy in place at Gas & Power focuses on the identification and development of the most attractive markets for its gas portfolio, the management of the supply positions, the development and the management of supporting infrastructure (pipeline, storage) and the maximization of the integrated value added through optimization of the portfolios.

Overview of Business Areas

Supply, Marketing & Trading

Supply, Marketing & Trading coordinates and manages OMV's gas supply and sales activities. It also bundles the trading activities for all products in order to ensure central portfolio optimization. OMV Gas Marketing & Trading GmbH is therefore also responsible for the commercial optimization of the power plants.

G&P Sales markets gas and power in the relevant markets through the respective subsidiaries: In Austria, OMV Gas Marketing & Trading GmbH is responsible for direct sales activities in Austria, Germany, Hungary, and The Netherlands. In Romania, OMV is no. 1 in gas trading on the free market and no. 2 in the production of gas through

OMV Petrom. Furthermore, OMV is active in the field of power and natural gas sales in Turkey via OMV Enerji Ticaret AS.

Gas Logistics and International Projects

Gas Logistics Assets

The OMV subsidiary Gas Connect Austria GmbH is responsible for the commercialization of transportation capacities in Austria and abroad as well as for the safe and smooth operation of an approximately 900 km long high-pressure gas pipeline network in Austria. As an Austrian transmission system and distribution system operator, Gas Connect Austria is an important partner in the Austrian and European gas supply network. With total gas sales volumes for entry/exit of 152 bcm per year, the company plays an important role in ensuring security of gas supplies to Austria and Europe.

With an Entry/Exit sales volume of 2.5 bcm per year, the company plays an important role in supplying Austria and Europe and ensuring it can respond to any seasonal supply fluctuations or short term supply disruptions. Furthermore, OMV holds a stake in the natural gas storage Etzel in Friedeburg, East Frisia (DE). The capacity available to OMV holds a volume of approximately 475 Mio. m³ (6.0 TWh) working gas.

The Central European Gas Hub AG (CEGH) provides a gas trading platform in Austria for international gas companies with a CEGH OTC Market and the CEGH Gas Exchange of Wiener Boerse with a Spot Market (including Within-Day Market) and a Futures Market. CEGH also offers the CEGH Czech Gas Exchange in cooperation with PXE. CEGH is the operator of the Virtual Trading Point (VTP) in Austria. CEGH is a subsidiary of OMV Gas & Power (65 %), Wiener Boerse (20 %) and Eustream (15 %). In 2015, the CEGH established itself as one of Central Europe's leading trading platforms when it



Downstream Gas Factbox

- ▶ **Natural gas high-pressure pipeline network:** operation of a 900 km network in Austria
- ▶ **Baumgarten distribution node*:** major natural gas turntable for Europe
- ▶ **Marketed capacity in Austria*:** 152 bn m³
- ▶ **Storage:** total volume of 2.153 bn m³ (24.2 TWh) in Austria
- ▶ **Gas trading on CEGH:** nominated gas volume of approx. 622 TWh in
- ▶ **Electricity:** two gas-fired power plants in the 800 MW category (Brazi/Romania and Sam-sun/Turkey)

* via Gas Connect Austria

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achieved a trading volume of 478 TWh of natural gas.

International Projects

The business unit LIP develops comprehensive, integrated pipeline transport solutions for natural gas – from the early phases (Business Development and Concept Stage) through to developing terms and conditions for the booking of capacities and handover of the infrastructure. LIP negotiates network access, customized to transportation requirements, at competitive conditions and within the required timeframes. LIP supports OMV in constructing our own gas pipelines, where required, and ensures that capacity is provided by the responsible gas network operators on the relevant markets.

LIP offers the needed knowhow in project management and engineering. The team's experts evaluate the economic feasibility of various routes and project options and proactively contribute in shaping the relevant legal framework. In Europe's regulated gas business, coordination with a wide range of gas transport companies, regulators and other stakeholders is a key priority for LIP.

Beside its own projects, LIP renders services to other business units within the OMV Group.

Key Projects:

- Nord Stream 2: Nord Stream 2 AG, registered in Zug, Switzerland, and a wholly owned subsidiary of Gazprom, is building an offshore pipeline with a capacity of 55 bn m³/year, which will enable the transport of natural gas directly from Russia to the EU from 2020 onwards. OMV is financing the pipeline together with other partners as Shell, Wintershall, Uniper and Engie. The EUGAL pipeline (Germany) currently under construction will transport natural gas via Germany, the Czech Republic and Slovakia to Baumgarten and thereby fosters Baumgarten's role as a central gas hub and enhance security of supply to Central and Eastern Europe.

- Neptun: Together with ExxonMobil, OMV Petrom is planning to develop a major gas reserve in the Black sea. LIP will secure the connection to transport capacities for the new gas volumes within Romania. Furthermore, LIP will find solutions for sufficient export capacities to supply our markets with equity gas, with the goal of maximizing the netback of our gas. LIP is intensively contributing in aligning the EU legal framework and the national laws with the national transmission system operators, with regulatory authorities and with the European Commission for these new capacities of national network operators.

By finding innovative transport solutions, LIP strengthens Baumgarten's role as the major gas trading hub in Central Europe.