

Press Release

Mozart Is Heading to Austria

Prague, 26 February 2013 – A new high-pressure gas pipeline for transporting natural gas is to interconnect the Czech and Austrian gas systems. The main goal of interconnecting the Czech and Austrian gas systems is to ensure a higher level of safety and reliability of the deliveries of natural gas to the Czech Republic and Austria and to efficiently use the two parallel transport routes NET4GAS and WAG. Today, the representatives of the Czech and Austrian Ministries of Industry and Trade, gas industry experts from both countries and representatives of financial institutions were discussing the details of the whole project and mutual cooperation in its implementation in the residence of **Ferdinand Trauttmansdorff, the Austrian Ambassador in Prague**. The conference was held under the auspices of **Petr Nečas, the Prime Minister of the Czech Republic**.

“Both countries are interested in the interconnection because the conditions on both national gas markets – just as anywhere else in Europe – have changed dramatically. Long-term contracts do not make economic sense; most deals are entered into on the spot market, that is, on the current market, and this requires a fast response. The new gas pipeline will support this and, as a result, can ultimately exert pressure to reduce prices of natural gas for end customers,” says **Ladislav Dráb, the chairman of the board of directors**, on behalf of the investor, České plynovody from CE Group.

The designed gas pipeline will interconnect the Czech backbone gas pipeline with a similarly significant gas pipeline of OMV group in Austria with a link to the European transport route for natural gas from the south. With this, both the Czech Republic and Austria will increase even more the potential of becoming a major transport crossroads of the traditional and new natural gas transport routes. The new gas pipeline with a diameter of 500 mm will be nearly 100 km long. It is envisioned that natural gas will be transported in both directions, depending on the current situation on the market. The new gas pipeline will broaden access to the storage capacities of both countries and will also help to utilise the super-fast natural gas storage facility with ultimate capacity of up to 180 million cubic metres, which is already being excavated by GSCeP, also a member of CE Group, near the municipality of Rožná in the region of Vysočina

The actual construction of the gas pipeline could be started after the necessary agreements of the parties involved and the operators of national transport systems are entered into and it could be completed within 3 to 4 years. The costs of the construction are estimated by České plynovody at between 2 and 2.5 billion Crowns.

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