
AZERBAIJANI GAS TO BE PRIORITY FOR GEORGIA'S FUTURE IMPORTS - MINISTER

-

03.08.2017

3 August 2017

By Leman Zeynalova - Trend

Azerbaijani gas will be taken into account at first for Georgias future imports, Georgias Energy Minister Ilia Eloshvili said in an exclusive interview with Trend.

"To look at figures, in Georgia the gas demand accounted for 2.2 billion cubic meters in 2016 where SOCARs [Azerbaijani state oil company] share amounted to 59 percent, Shah Deniz gas □ 35 percent and Russian gas from transit service □ 5 percent, local extraction was rather insignificant making 0.3 percent in the total gas supply," noted the minister.

Eloshvili pointed out that this picture is likely to be maintained in 2017-2018.

"By 2026, we suppose that the economic trend in Georgia and expiration of the supplemental gas contract will motivate us to seek additional gas volumes," he said. "Of course, we appreciate our partnership and Azerbaijani gas will be taken into account at first but this will also depend on other market circumstances if any."

In March 2016, Georgia and SOCAR signed an agreement on supplying additional volumes of Azerbaijani gas to the country. The agreement envisages delivery of 500 million cubic meters of gas per year from Azerbaijan's Shah Deniz gas and condensate field.

The contract for development of the Shah Deniz offshore field was signed on June 4, 1996. The field's reserve is estimated at 1.2 trillion cubic meters of gas.

The shareholders are: BP, operator (28.8 percent), AzSD (10 percent), SGC Upstream (6.7 percent), Petronas (15.5 percent), Lukoil (10 percent), NICO (10 percent) and TPOC (19 percent).

As part of the implementation of the Shah Deniz 2 project, the annual gas production volume will increase from 9 billion cubic meters to additional 16 billion cubic meters.

The cost of the second stage of the fields development is estimated at \$25 billion. It is planned to get the first volumes of gas within the project in 2018 and it will be the main source for the Southern Gas Corridor project, which envisages transportation of gas to Turkey and European markets.

Kaynak/Source: