
SOCAR AND BP SIGN NEW PRODUCTION SHARING AGREEMENT FOR AZERBAIJAN EXPLORATION

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British Petroleum (26 April 2018)

SOCAR and BP today signed a new production sharing agreement (PSA) for the joint exploration and development of Block D230 in the North Absheron basin in the Azerbaijan sector of the Caspian Sea. The PSA was signed in London, in the presence of UK Prime Minister Theresa May and Azerbaijan's President Ilham Aliyev, by Rovnag Abdullayev, President of SOCAR, and BP group chief executive Bob Dudley.

Speaking at the signing event Mr Abdullayev said: We have a long tradition of successful cooperation with BP. I believe that the synergies between modern upstream technology and unique historical experience, embodied in both companies, create a solid basis for our continued success. Being based on fair and equal conditions, today's agreement will become an important milestone in the pursuit of the highest degree of efficiency in the joint development of the natural resources of Azerbaijan.

"This agreement underpins a new joint effort by SOCAR and BP to explore further Caspian opportunities in support of long-term production in Azerbaijan. We have now been operating in the region for more than 25 years and believe there is still significant oil and gas potential there. We look forward to continuing to build on our significant business in Azerbaijan, working closely with SOCAR and others to explore and help secure the Caspian's future for decades to come."

Bob Dudley, group chief executive

Block D230 lies some 135 kilometres (84 miles) north-east of Baku in the Caspian Sea. It covers an area of some 3,200 square kilometres and has not previously been explored. It has water depths of 400-600 metres and anticipated reservoir depths of about 3,500 metres.

Under the PSA, which is for 25 years, BP will be the operator during the exploration phase holding a 50 per cent interest while SOCAR will hold the remaining 50 per cent interest.

The signing of the PSA follows the Memorandum of Understanding for exploration of Block D230, which was agreed in May 2016.

<https://www.bp.com/en/global/corporate/media/press-releases/socar-and-bp-sign-new-production-sharing-agreement-for-azerbaijan-exploration.html>

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