
BP BEGINS OPERATING \$28B AZERBAIJAN GAS PIPELINE TO TURKEY, EUROPE

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British petroleum giant BP has started operating a \$28-billion pipeline in Azerbaijan to supply gas to Turkey and elsewhere in Europe, the company said in a statement on Monday.

The "Shah Deniz 2" development is "the starting point for the Southern Gas Corridor series of pipelines that will for the first time deliver natural gas from the Caspian Sea direct to European markets," it said.

The pipeline bypasses Russia and has been supported by the European Union, which is keen to reduce Europe's energy dependence on Moscow.

"Together with the Southern Gas Corridor pipeline system, Shah Deniz 2 will deliver significant new energy supplies to Europe, further diversifying its sources of energy," said BP group chief executive Bob Dudley, quoted in the statement.

The giant Shah Deniz field holds about one trillion cubic metres of natural gas, according to BP estimates. The first phase of the its exploration started in 2006.

Azerbaijan inaugurated the pipeline □ which will feed into the Trans-Anatolian Natural Gas Pipeline (TANAP) in Turkey □ at the end of May. On June 12, President Recep Tayyip Erdoğan, Azerbaijani President İlham Aliyev and Georgian President Giorgi Margvelashvili met in the central Turkish province of Eskişehir to officially open the pipeline.

From Turkey, the Trans-Adriatic Pipeline will take the gas on to Italy.

The Southern Gas Project aims to transport gas 3,500 kilometers from the Caspian Sea to Europe just as the West is looking to reduce its reliance on Russian energy. The \$40-billion (35-billion-euro) project consists of three linked pipelines that will bring gas from the vast Azerbaijani Shah Deniz 2 field across Azerbaijan, Georgia, Turkey, Greece, Albania and the Adriatic Sea to southern Italy.

By 2020, the Southern Gas Corridor is expected to bring around 10 billion cubic meters of natural gas to Europe a year. Another 6 billion cubic meters of gas will go to Turkey.

Currently, TANAP has four partners. The Southern Gas Corridor (SGC) holds a 58 percent stake in TANAP, while Turkey's Petroleum Pipeline Corporation (BOTAŞ) and BP own 30 percent and 12 percent, respectively. Seven percent of SGC's stake has been recently transferred to the Turkish

subsidiary of the State Oil Company of the Azerbaijan Republic (SOCAR).

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