



News Release

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## Shah Deniz Selects a Second Export Route Option to Europe

The Shah Deniz consortium has now concluded its evaluation of potential gas export routes towards South East and Central Europe. The Nabucco West project with a route running from the Turkish-Bulgarian border to Baumgarten has been selected as the single pipeline option for the potential export of Shah Deniz Stage 2 gas to Central Europe. Development of the South East Europe Pipeline (SEEP) project, which had been assembled by Shah Deniz partners in collaboration with Bulgaria, Romania and Hungary, will cease.

This decision was made on the basis of the publicly communicated selection criteria announced in 2011. In particular, the greater maturity of Nabucco West gave the consortium confidence that this project could be developed and delivered on the same timeline as Stage 2. The consortium will now cooperate with the Nabucco West project to optimise its scope, its technical studies and its commercial offer.

Based on the same criteria, in February this year the consortium selected the Trans-Adriatic Pipeline (TAP) as the potential route for export of Stage 2 gas to Italy. Since that decision the Shah Deniz consortium has closely worked with TAP, recently concluding a co-operation agreement with this project.

The Shah Deniz consortium will continue to work with the owners of the two selected pipeline options. Shah Deniz will make a final decision between these projects, and will conclude related gas sales agreements ahead of the Shah Deniz final investment decision planned for mid 2013.

Rashid Javanshir, President of the BP Azerbaijan, Georgia and Turkey Region, said: "We are delighted to announce the selection of the Nabucco West option, alongside our earlier selection of TAP. This represents another important milestone in the development of Shah Deniz Stage 2 and the transportation of gas resources from the Caspian to Europe. We are grateful to the governments and companies who have supported the development of both the Nabucco West and SEEP pipeline projects."

Rovnag Abdullayev, President of SOCAR, said: "This decision constitutes a significant step towards implementation of the Southern Gas Corridor Strategy which would serve the strategic interest for sustained energy security of European countries as well as Azerbaijan, Georgia and Turkey.

This indicates the growing role of Azerbaijan as an enabler to provide diversified energy resources to European market."

### Notes to Editors:

The Shah Deniz Stage 2 project will bring gas from the Caspian Sea to markets in Turkey and Europe, opening up the 'Southern Gas Corridor'. The progress made to date allows the consortium to maintain its target for first gas exports from Stage 2 project around the end of 2017.

Shah Deniz Stage 2 is expected to add a further 16 billion cubic meters per year (bcma) of gas production to the approximately 9 bcma from Shah Deniz Stage 1.

This Stage 2 development of the Shah Deniz field, which lies some 70 kilometres offshore in the Azerbaijan sector of the Caspian Sea, is expected to include two new bridge-linked production platforms; 26 subsea wells to be drilled with 2 semi-submersible rigs; 500 km of subsea pipelines built at up to 550m of water depth; a 16 bcma upgrade for the South Caucasus Pipeline (SCP); and expansion of the Sangachal Terminal.

Further pipelines will be built and expanded to transport Shah Deniz gas through Turkey and Europe. Any export route selected for export of Shah Deniz Stage 2 gas would need to have the ability to meet all relevant environmental, safety, social, legal and regulatory standards.

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