



## bp to sell 25% stake in SWAP exploration project in Azerbaijan

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bp has agreed to sell a 25% participating interest in the Shallow Water Absheron Peninsula (SWAP) exploration project in the Azerbaijan sector of the Caspian Sea to LUKOIL.

Following completion of the sale, bp will remain operator of the SWAP production sharing agreement (PSA) during the exploration period, holding a 25% interest. On completion, participating interests in the PSA will be: SOCAR Oil Affiliate – 50%, bp – 25% and LUKOIL – 25%.

Subject to approval from the government of Azerbaijan, the deal, with an effective date of 1 July 2021, is expected to complete in the fourth quarter of 2021.

Gary Jones, bp's regional president for Azerbaijan, Georgia and Turkey, said: "We are pleased to welcome LUKOIL to the SWAP partnership, building on our successful relationship in the Shah Deniz project. We look forward to working closely with them and SOCAR on the exploration work programme, which, if successful, will deliver value to Azerbaijan and to our partnership."

"LUKOIL's joining of the project of bp and SOCAR falls in line with both Russia's and Azerbaijan's national interests related to the evolvement of international cooperation in energy domain. I am convinced that all the scientific and technical resources gathered by the partners will boost development of the prospective area in the shallow waters of the Absheron Peninsula," said Vagit Alekperov, PJSC LUKOIL President.

The SWAP PSA was signed between bp and SOCAR in December 2014 and ratified by the Milli Majlis (Parliament) of Azerbaijan in 2015. The first exploration well in the North Khali prospective area was spudded on 16 August 2021 and the drilling is expected to be completed in the fourth quarter of 2021. The well is planned to reach total depth of up to 2,424 metres. The well data will then be analysed and, if successful, an evaluation programme may be conducted to confirm the results.

The SWAP contract area stretches along the margins of the Caspian basin to the south of the Absheron peninsula. The acreage features water depths of up to 40 metres with potential reservoir depths of 2,000-5,000 metres.

A 3D seismic acquisition programme was conducted in the contract area by bp in 2016.

Following completion of the processing and interpretation of the 3D data acquired from the contract area, a Notice of Prospectivity was submitted to SOCAR in 2017 in respect of three prospective areas – North Khali, Bibi-Heybat East and Garabatdag, with one exploration well planned to be drilled in each of the prospective areas.

The Environmental and Socio-economic Impact Assessment (ESIA) for the first SWAP well was disclosed in August 2020 and following public discussions was approved by the government in January 2021, providing permission to commence drilling activities in the contract area.

### Further information

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