

Shah Deniz begins gas deliveries to Europe

31 December 2020

- World-class project delivered safely and on schedule
- A new source of energy supply for Europe to diversify its energy market and strengthen its energy security

The Shah Deniz consortium today announced commencement of commercial gas deliveries to Europe from the Shah Deniz gas field in the Caspian Sea offshore Azerbaijan via the newly-completed Southern Gas Corridor (SGC) pipeline system. The start of gas deliveries through the final section of the SGC – the Trans Adriatic Pipeline (TAP) – marks the full integration of the entire SGC gas value chain, stretching 3,500 kilometres from Azerbaijan to Europe.

Deliveries through this final stage of the system follow safe and reliable gas deliveries to regional markets from the Shah Deniz field via the first two sections of SGC – the South Caucasus Pipeline expansion (SCPx) and Trans-Anatolian Pipeline (TANAP) – that started mid-2018.

The Shah Deniz field is the starting point of SGC, which has been built to deliver Caspian energy resources directly to European markets for the first time. The field is expected to supply 16 billion cubic meters of gas to markets in the region and Europe via SGC.

Rovnag Abdullayev, President of SOCAR, said: "On this historic day, we express our deep gratitude to the partner companies, specialists and all our colleagues, who participated in TAP, Shah Deniz 2 and the Southern Gas Corridor projects, contributing to the first delivery of Azerbaijani gas to the European market. We thank all financial institutions that supported this project and the residents of the communities where our pipelines pass. As a shareholder in all Southern Gas Corridor segments, SOCAR is proud of the successful completion of this historic mission. On behalf of Azerbaijani oil workers, I congratulate both the people of the European Union and the people of Azerbaijan. We express our utmost gratitude and extend our congratulations to Mr. Ilham Aliyev, the President of the Republic of Azerbaijan, the author and the leader of this initiative!

"Seven years ago, we made the final investment decision together with our partners. We embarked on this journey by signing 25-year gas sales agreements with European gas distribution companies. The construction of three interconnected gas pipelines across continents with a total length of 3,500-kilometres was a highly complex endeavour. Back then, some were sceptical about this project. Now the mission is accomplished – Azerbaijan's natural gas has arrived in Europe. Coming from a new source through an alternative route, it will contribute to European energy security. We anticipate a

growing demand for additional gas volumes on the European market due to the constant local production decline. Our gas will fill this gap for decades to come, and the importance of cooperation between the Old Continent and Azerbaijan will increase."

Gary Jones, Regional President for Azerbaijan, Georgia and Turkey for bp, the operator of Shah Deniz, said: "The start of gas deliveries to Europe from Azerbaijan is the culmination of years of work by many thousands of people from all the countries involved – the workforce, communities, companies, the government of Azerbaijan and other regional and international governments, and SOCAR and our partners. This is a truly world-class project in all respects.

"We are very proud of what we have achieved together. Notwithstanding the complexity of all aspects of the project – engineering, technical, geographical and geopolitical – it has been delivered safely, on schedule and under budget. This is an historic milestone, with Azerbaijan and Europe now connected with a direct, safe and reliable energy link, that again demonstrates that together we can deliver the most complex mega-scale projects successfully."

Notes to Editors

- Shah Deniz participating interests are: bp (operator – 28.8%), TPAO (19.0%), AzSD (10.0%), SGC Upstream (6.7%), PETRONAS (15.5%), LUKOIL (10.0%) and NICO (10.0%).
- Shah Deniz – located in the Caspian Sea offshore Azerbaijan and discovered in 1999 – is the largest gas discovery ever made by bp.
- The giant field covers approximately 860 square kilometres and had approximately 1 trillion cubic metres of gas and 2 billion barrels of condensate initially in place.
- To date the field has produced more than 130 billion cubic metres of gas and more than 31 million tonnes of condensate.
- The first phase of the Shah Deniz field began production in 2006 delivering more than 10 billion cubic metres per annum (bcma) of gas to Azerbaijan, Georgia and Turkey.
- The second phase of Shah Deniz development began production in 2018 and at plateau will add 16 bcma of gas production capacity to bring total production capacity from the field to 26 bcma of gas.
- With the completion of the SGC pipeline system, this additional Shah Deniz gas will flow to Georgia, Turkey, Greece, Bulgaria, Albania and Italy.
- The pipelines that make up the new SGC system consist of the South Caucasus Pipeline expansion (SCPx) through Azerbaijan and Georgia - 428 km of new 48-inch pipeline through Azerbaijan; 59 km of new 48-inch pipeline and 2 new compressor stations in Georgia; TANAP - 1,300km of 56-inch pipeline and 600km of 48-inch pipeline across Turkey; and TAP – 878 km of 48-inch pipeline across Greece, Albania and Italy.

Further information

Tamam Bayatly in bp's Press Office in Azerbaijan.
Telephone: (+994 12) 599 45 57

Cautionary statement

In order to utilize the 'safe harbor' provisions of the United States Private Securities Litigation Reform Act of 1995 (the 'PSLRA'), BP is providing the following cautionary statement. This press release contains certain forward-looking statements – that is, statements related to future, not past events and circumstances – which may relate to one or more of the financial condition, results of operations and businesses of BP and certain of the plans and objectives of BP with respect to these items. These statements are generally, but not always, identified by the use of words such as 'will', 'expects', 'is expected to', 'aims', 'should', 'may', 'objective', 'is likely to', 'intends', 'believes', 'anticipates', 'plans', 'we see' or similar expressions. Actual results may differ from those expressed in such statements, depending on a variety of factors including the risk factors set forth in our most recent Annual Report and Form 20-F under "Risk factors" and in any of our more recent public reports.

Our most recent Annual Report and Form 20-F and other period filings are available on our website at www.bp.com, or can be obtained from the SEC by calling 1-800-SEC-0330 or on its website at www.sec.gov.