

## **Azeri Central East (ACE) project update**

4 April 2023

### **Project general info**

The ACE project is the next stage of development of the giant Azeri-Chirag-Gunashli (ACG) field in the Azerbaijan sector of the Caspian Sea. It is a \$6 billion development project which includes a new offshore platform and facilities designed to process up to 100,000 barrels of oil per day. The project is expected to produce up to 300 million barrels over its lifetime.

The project was sanctioned in April 2019. The sanction of ACE was the first major investment decision by the ACG partnership following the extension of the ACG Production Sharing Agreement (PSA) to 2049 was agreed in 2017. Around \$42 billion has been invested in the development of the ACG area since the original PSA signed in 1994.

The ACE project is centred on a new 48-slot production, drilling and quarters platform located mid-way between the existing Central Azeri and East Azeri platforms in a water depth of approximately 140 metres. The project also includes new infield pipelines to transfer oil and gas from the ACE platform to the existing ACG Phase 2 oil and gas export pipelines for transportation to the onshore Sangachal terminal.

In addition, there is a water injection pipeline installed between the East Azeri and ACE platforms to supply injection water from the Central Azeri compression and water injection platform to the ACE facilities.

The ACE platform is designed to use technology innovations and automated operation systems that will be controlled remotely from an onshore control room at the Sangachal terminal. It will be the first remotely operated offshore platform in the Caspian. Currently, the remote control scope at the Sangachal terminal is 100% complete with the control room already operational allowing testing to take place.

Construction activities for the project commenced in late 2019 and have taken place in-country utilizing local resources. At peak, over 8,500 people were involved in overall construction activities in Azerbaijan.

Currently some 85% of the project work scope has been completed with over 25 million hours worked injury free.

### **ACE platform jacket**

The ACE platform jacket weighs 16,000 tonnes and stands 153 metres high. It contains three risers - one water injection, one oil export and one gas export.

The construction of the jacket took three years and was completed safely (3 million workhours delivered without a single day-off from work case) late last year. H.E. Ilham Aliyev, President of the Republic of Azerbaijan, visited the Heydar Aliyev Deepwater

Jackets factory (BDJF) yard on 13 December 2022 officially launching the ready jacket before it sailed away for offshore installation.

Once fully commissioned and tested, the jacket sailed away to its permanent location on 16 March and is now installed in a water depth of 137 metres waiting for the topsides unit.

The jacket subsea structures and spools fabrication is currently 94% complete.

The ACE platform jacket was fully constructed in country in BDJF, using local construction infrastructure and facilities. It was built by BOS Shelf and involved over 2,000 people including sub-contractors and specialist vendors. The majority of the workforce were Azerbaijani citizens.

### **ACE platform topsides unit**

ACE topsides unit has a design weight of 19,600 tonnes containing oil and gas processing facilities, an integrated drilling rig, a gas compressor and living quarters.

The topsides unit has been constructed in the Bayil fabrication yard by Azfen. Construction and commissioning works are in the final stages with 95% of overall commissioning works already completed.

The culmination of the topsides construction activities was a unique for the Caspian 'Jack and Skid' operation during which two huge drilling modules were safely and efficiently transported, jacked and skidded onto the deck of the topsides unit.

The two drilling modules - the Modular Drilling Support Module (MDSM) and the Drilling Equipment Set (DES) were fabricated on the ground separately from the topsides deck before commencing the 'Jack and Skid' operation. The MDSM module weighs 2,350 tonnes measuring 43m long, 20m wide and 20m high, whilst the DES module weighs 2,400 tonnes and is 32m long, 22m wide and 80m high. Both modules were fully built at the Bayil fabrication yard.

At peak, the topsides construction activities involved up to 4,400 workers and over 90% of them were Azerbaijani nationals.

The safety record at the site has been outstanding - the topsides team recently celebrated 20 million hours worked without injury.

The topsides onshore construction and commissioning works are expected to be completed in the second quarter of 2023. Once fully completed and operationally tested the unit will be loaded out onto the transportation barge STB-1, transported to the ACG field and installed onto the jacket. Once offshore construction and commissioning works are complete, the drilling of the first platform well will commence allowing first ACE production to be delivered early 2024.

## ACE subsea pipelines

ACE has gas, oil and water injection pipelines and all of them are now installed on the seabed. ACE pipelines range between 6 and 12 kilometres and tie into the existing ACG pipelines. Subsea tie-in activities to the existing ACG pipelines have already been completed on the gas line while on the oil and water injection lines tie-in works are still ongoing with expected completion in the second quarter of 2023.