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'Shah Deniz – delivering reliable energy'

Introduction

- Dear co-chairs, ladies and gentlemen, good afternoon!
- I'm delighted to join you all today.
- Since its kick-off in 2015, the importance of this forum has only been growing.
- Just like the role of SGC and Shah Deniz in today's energy landscape.
- And here is why.

Delivering reliable energy

- Hydrocarbons are still key to keep energy flowing while the world shifts to a lower carbon energy system.
- Today, oil and gas supply around 55% of the world's energy.
- Every year, the world consumes over 4,000 billion cubic meters of natural gas.
- This energy keeps people's lights on, keeps them moving and keeps them cool or warm as needed.
- That's where the projects like SGC and Shah Deniz come in.
- Bringing benefits to the region and Europe.

- And helping provide secure energy – the gas that can flow to where it is needed.

Performing safely and efficiently

- As operator, we are proud to say that Shah Deniz continues to **produce gas safely and efficiently**.
- Supporting Azerbaijan’s commitment to European and regional markets.
- Last year, this giant field delivered more than 26 billion cubic metres of gas, having reached its plateau rates.
- This delivery came with **outstanding plant, well and export reliability of almost 100%**.
- Today, Shah Deniz facilities can produce about 79 million standard cubic metres of gas daily.
- Just two weeks ago we started up the remaining fifth flank on Shah Deniz – East North.
- With the plans to activate two more wells from this flank during the year.
- All this will allow to further **meet our commitments to the markets**.

Exploring new depths

- Meanwhile, as we are enhancing Shah Deniz production from the current reservoir, we are also looking for more gas beneath it.
- For this, **we have drilled one of the deepest exploration wells in the Caspian – SDX-8**, reaching almost 7,000 metres below the seabed.
- We are now analyzing the data from the layers we passed to understand how much more gas they might hold.

- At the same time, we are looking at potential new sources of gas beyond Shah Deniz.
- Last year, **we drilled an appraisal well on ACG** to explore the deep gas reservoirs under the producing oil field.
- The data we have obtained from the well looks promising.
- This gives us confidence to plan for the drilling of the first production well in the second half of the year.
- We are going to drill it from the West Chirag platform – you can see it on the screen.
- And, if successful, we will be able to **achieve first ACG deep gas early next year.**

Embarking on low carbon

- However, we are not just focusing on finding more gas offshore.
- We are also looking at how we can save more gas by **electrifying our operations.**
- The electrification of the Sangachal terminal is one of the options.
- It would enable this world-class facility to be powered by electricity from the national grid.
- Thus, stop burning fuel gas to generate energy it needs.
- And freeing up more volumes for export.
- In parallel, **we are working on Project Sunrise** - a 240MW solar plant in the liberated territories in Jabrail.
- We have just launched the public discussions of its environmental and social impact assessment.
- Aiming to get to the final investment decision mid this year.

- We have also defined a **new virtual power transfer model** for this project together with the Ministry of Energy.
- This will allow us to offtake the electricity generated in Jabrail to run our operations at Sangachal, balancing it with the grid power.
- My colleague Colin will explain more about this at the Green Energy session later today.
- Grid power is also lower carbon intensity.
- So, connecting to it will help us decarbonize operations at the terminal cutting our total regional emissions by about 11%.
- This, in turn, will help reduce emissions in the Caspian and overall, support Azerbaijan's energy transition.

Conclusion

- So, to summarize my words.
- Shah Deniz and SGC are key to the region's and Europe's energy transition and supply security.
- We as operator are delivering on our promise.
- Producing gas from the Caspian for regional and European markets.
- Azerbaijan is committed to increase gas supplies through SGC.
- As the long-term and reliable partner, we are ready to continue supporting the country as it realizes its plans for SGC.
- And as it navigates through the energy transition.
- Thank you for your attention.

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