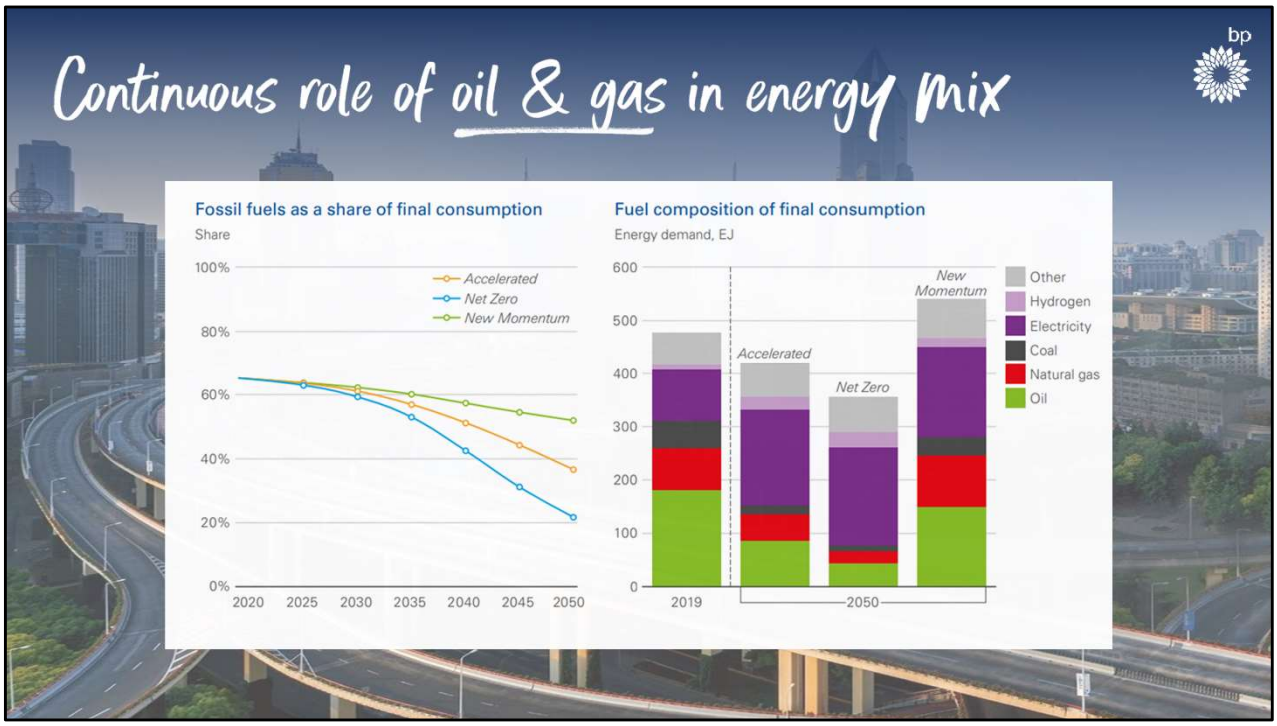
- Good morning, everyone.
- It's great to see the Baku Energy Week and this Forum back after the two-year break.
- This event attracts so many people from around the world.
- And that's because Azerbaijan today is an increasingly important player in global energy production.
- There is a huge energy potential in this region.
- I want to talk about how this potential can support the energy transition and the role the Caspian hydrocarbons can play in this process.



- The world is going through a momentous energy transformation.
- It was triggered by the need to reduce carbon emissions and tackle climate change.
- However, **it's no longer just a climate story.**
- The tragic events in Ukraine, soaring energy prices and increased cost of living have caused a global energy crisis.
- Now, it is not just about cleaner energy, but also energy that is affordable and that is secure.
- **We call this 'energy trilemma'.**
- In bp, we see opportunities to help with the energy transition, while we **keep doing our main job - delivering the energy the world needs.**
- The bp Energy Outlook explores three distinct scenarios of the future of energy.
- In all three scenarios the world will need a diverse set of fuels to meet its demand.
- The energy mix of the future will mainly consist of non-fossil fuels.
- But **it will still include hydrocarbons for decades to come**, though in a

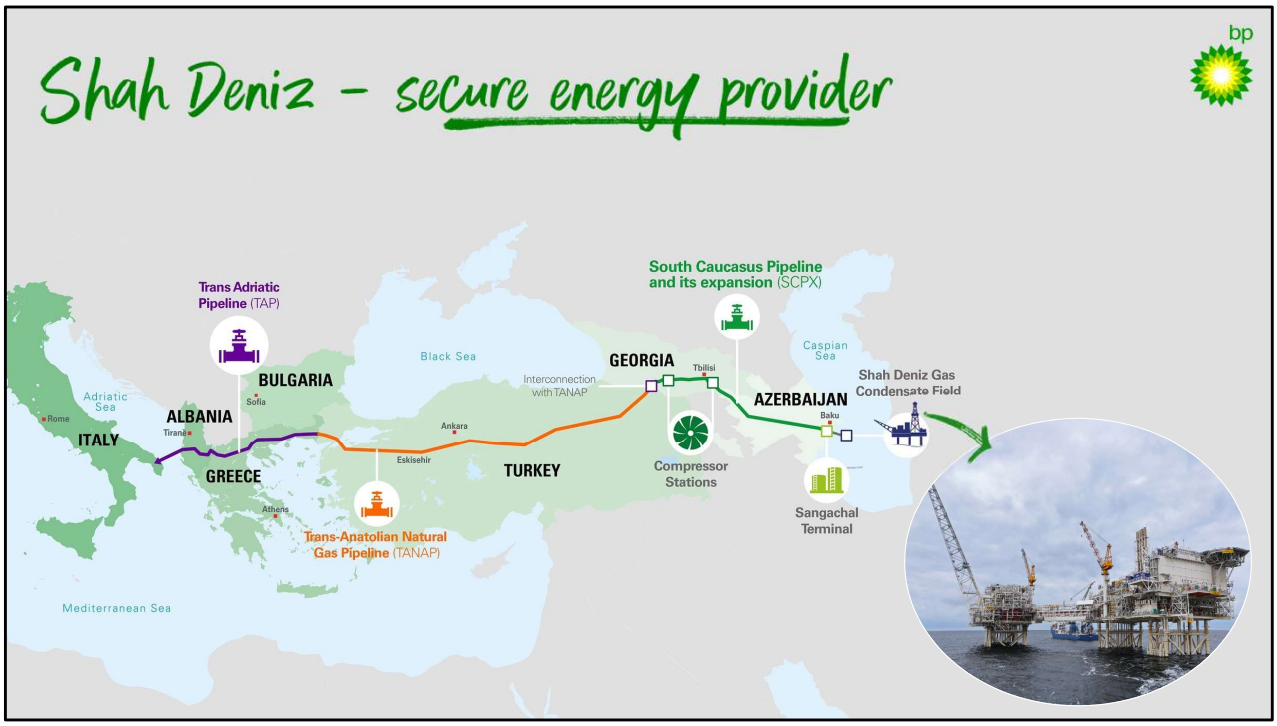
gradually lower quantity.

- This means there is still a need for investing in oil and gas.
- As a company, we are focusing on resilient hydrocarbons - in other words, the barrels that will remain competitive when demand begins to decline.

- Our current hydrocarbons business in the Caspian perfectly fits this definition.
- For the past 30 years, we have been privileged to work with Azerbaijan and global partners to build a world-class energy infrastructure.
- And it can serve as a **foundation for the next chapter of clean, affordable and reliable energy developments in this region.**
- Our Azeri Central East project – ACE in short - is a great example.
- ACE is the new stage of development of the giant ACG field.
- This $6 billion project will include a new offshore platform designed to process up to 100,000 barrels of oil per day.
- ACE is already 70% complete and will come online in 2023.
- The almost finished topside units you see on the screen weigh more than 2,000 tons each.
- The jackets of the platform are also close to completion. Later this year

we will sail them away to install offshore.

- **ACE is designed to be lower carbon.**
- It will be the first remotely operated offshore platform in the Caspian - its primary control room will be located at the Sangachal terminal.
- Most of its systems and tasks will be automated to reduce work-hours and allow focusing on more critical work.
- It will be connected to the East Azeri platform for drawing back-up power from the existing infrastructure.
- It will have thermal imaging cameras installed throughout the platform to detect and repair any small greenhouse gas emissions and larger leaks that could cause harm.
- All this means **less travel, fewer shutdowns and outages, and hence lower flaring and emissions.**

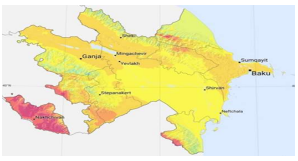


- Resilient hydrocarbons also mean secure and reliable.
- Just like the Caspian gas, which has helped the security and diversity of supply for regional and European markets.
- This has been the primary objective of Shah Deniz and the Southern Gas Corridor since the start.
- Today, the Shah Deniz field produces about 70 million cubic metres of gas and about 100,000 barrels of condensate per day, while still ramping up.
- And it does so with a phenomenal operating efficiency of almost 100%.
- At plateau, Shah Deniz will produce around 26 billion cubic meters of gas per year.
- By the way, its sophisticated subsea production system is the first in the Caspian and the largest operated by bp globally.
- **Shah Deniz and SGC are clearly today's, but also tomorrow's top story**.

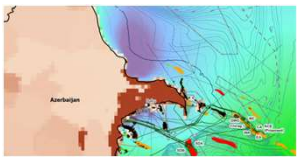
- There are significant expansion opportunities for both projects.
- This giant gas value chain is designed as scalable so that its initial throughput capacity can be expanded if and when needed.
- We are currently working with SOCAR and other partners to see how we can increase gas supply to Europe.
- With this, **both Shah Deniz and the Southern Gas Corridor can further contribute to the energy transition and security of supply.**

Focus on future

Decarbonized oil & gas



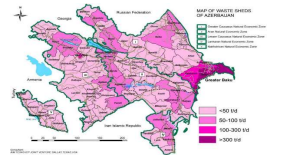
Solar



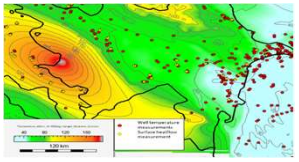
Offshore wind

CCUS

Hydrogen/Ammonia



Bioenergy



Geothermal

Mobility

- Azerbaijan has come a long way in developing its energy industry.
- Thanks to its advanced infrastructure, strong partnerships and suitable conditions **the country can get ahead in the energy transition**.
- And bp is ready to help.
- **We can support Azerbaijan in developing its energy resources** - both hydrocarbons and increasingly low carbon.
- Just last week we presented to the Ministry of Energy a set of recommendations on decarbonization opportunities for Azerbaijan.
- It is built on our expertise in low carbon technology and business models worldwide.
- And it envisions how Azerbaijan may capitalize on the energy transition out to 2050 using its rich energy potential.
- The possibilities are many - ranging from resources, such as solar, wind and geothermal, to low carbon solutions, such as carbon capture and

hydrogen generation.

– Let me name a few, on which we are already in action.

– First, **we are finding ways to decarbonize the existing oil and gas production.**

– For example, we are working hard to eliminate routine flaring at our sites.

– We are installing methane detectors across our facilities to reduce emissions by 50%.

– We are evaluating how to electrify our operations and stop burning fuel gas for power.

– The electrification of the Sangachal terminal could be a good start.

– It is currently powered by gas turbines, but it could be connected to the national grid.

– This would lead to not only less emissions, but also more gas to export through SGC.

– In parallel, **we are finalizing the negotiations to build a 240-megawatt solar power plant** in Jabrayil.

– That is enough to power more than 200,000 households.

– We are already seeing the picture where these separate projects can become parts of one integrated energy system.

– **We are also teaming up with SOCAR for similar potential renewables projects.**

– This is a natural continuation of our years-long solid partnership.

– Finally, just an hour ago, **we signed an agreement to support a new master's degree programme on renewable energy** at the Azerbaijan State Oil and Industry University.

– It will bring up a brand-new generation of national energy experts.

– They will navigate the country through its transition to a clean energy future.

Conclusion

– So, in closing, let me go back to where I started.

- We are going through an energy transition.
- This transition is about clean, affordable and reliable energy the world demands.
- Azerbaijan has vast energy potential.
- And that's why **it is uniquely placed to get ahead in this transition and build a new energy future**.
- We believe this future will be just as bright as the past 30 years.
- And we look forward to building it together.
- Thank you.