

This business update is a joint press release issued by BP Exploration (Caspian Sea) Limited, in its capacity as operator of the Azeri-Chirag-Gunashli (ACG) field, as manager of the Baku-Tbilisi-Ceyhan (BTC) pipeline and as common operator of the BTC pipeline and the South Caucasus Pipeline (SCP), and by BP Exploration (Shah Deniz) Limited in its capacity as operator of the Shah Deniz field, with each of these entities providing information relevant to its project and making any statements applicable to its project.



## BUSINESS UPDATE

### First quarter 2024 results

10 May 2024

#### Azeri-Chirag-Deepwater Gunashli (ACG)

ACG participating interests are: bp (30.37%), SOCAR (25.0%), MOL (9.57%), INPEX (9.31%), Equinor (7.27%), ExxonMobil (6.79%), TPAO (5.73%), ITOCHU (3.65%), ONGC Videsh Limited (OVL) (2.31%).

BP Exploration (Caspian Sea) Limited is the operator on behalf of the Contractor Parties to the ACG Production Sharing Agreement.

In the first quarter of 2024, bp and its co-venturers spent about \$115 million in operating expenditure and \$347 million in capital expenditure on ACG activities.

In January, a new 4-dimensional (4D) high-definition ocean bottom node seismic programme was commenced on ACG. The programme, which will focus on the Balakhany and Fasila reservoirs, covers an area of 740 square kilometres under source and 507 square kilometres under receivers, with a total cost of around \$370 million and a duration of five years (2024-2028). This is the largest-ever seismic acquisition commitment made by bp globally by all its aspects – area size, cost and programme duration.

In the first quarter, the Azeri Central East (ACE) project made a tremendous progress towards achievement of its main objective – delivery of first oil.

During the quarter the onshore control functionality of the ACE platform was enabled making the facility the first bp-operated offshore platform fully controlled from onshore. The project also completed all required pre-start up activities including the drilling of the first production well spudded in December 2023. The well reached its total depth of 3,150 metres in March and on 16 April, following the completion of all preparations, the project safely delivered first oil from ACE.

The ACE platform is technologically and digitally the most advanced bp-operated platform in the world. Its innovative engineering allows automation of labour-intensive processes, enabling safer and more efficient operations. The platform has a state-of-the-art fully automated drilling rig. The use of modern technology and new processes also helps lower operational emissions.

### **Production**

During the quarter, ACG continued to safely and reliably deliver stable production. Total ACG production for the quarter was on average about 339,000 barrels per day (b/d) (about 31 million barrels or 4 million tonnes in total) from the Chirag (21,000 b/d), Central Azeri (92,000 b/d), West Azeri (79,000 b/d), East Azeri (53,000 b/d), Deepwater Gunashli (63,000 b/d) and West Chirag (31,000 b/d) platforms.

At the end of the quarter, 139 oil wells were producing, while 43 were used for water and eight for gas injection.

### **Drilling and completion**

In the first quarter of 2024, ACG completed three oil producer and one water injector wells.

### **Associated gas**

During the quarter, ACG delivered an average of around 7.4 million cubic metres per day of ACG associated gas to the state of Azerbaijan (0.7 billion cubic metres in total), primarily at the Sangachal terminal but also to SOCAR's Oil Rocks facility. The remainder of the associated gas produced was re-injected for reservoir pressure maintenance.

## Sangachal terminal

In the first quarter of 2024, oil and gas from ACG and Shah Deniz continued to flow via subsea pipelines to the Sangachal terminal.

The daily capacity of the terminal's processing systems is currently 1.2 million barrels of crude oil and condensate, and about 81 million standard cubic metres of Shah Deniz gas, while overall processing and export capacity for gas, including ACG associated gas is around 100 million standard cubic metres per day.

During the quarter, the Sangachal terminal exported about 55 million barrels of oil and condensate all of which was sent through the Baku-Tbilisi-Ceyhan (BTC) pipeline.

Gas is exported via the South Caucasus Pipeline (SCP), including the SCP expansion system and via Azerbaijan's pipelines connecting the terminal's gas processing facilities with Azerigas's national grid system.

On average, 75 million standard cubic metres (about 2,660 million standard cubic feet) of Shah Deniz gas was sent from the terminal daily during the first quarter of 2024.

## Baku-Tbilisi-Ceyhan (BTC)

The Baku-Tbilisi-Ceyhan Pipeline Company (BTC Co.) shareholders are: bp (30.10%), SOCAR (25.00%), MOL (8.90%), Equinor (8.71%), TPAO (6.53%), Eni (5.00%), TotalEnergies (5.00%), ITOCHU (3.40%), INPEX (2.50%), ExxonMobil (2.50%) and ONGCVidesh (2.36%).

In the first quarter of 2024, BTC Co. spent about \$33 million in operating expenditure and \$7 million in capital expenditure.

Since the 1,768 km BTC pipeline became operational in June 2006 till the end of the first quarter of 2024, it carried a total of about 4.3 billion barrels (about 568 million tonnes) of crude oil loaded on 5,629 tankers and sent to world markets.

In the first quarter of 2024, about 54 million barrels (7 million tonnes) of BTC-exported crude oil was lifted at Ceyhan and loaded on 72 tankers.

The BTC pipeline currently carries mainly ACG crude oil and Shah Deniz condensate from Azerbaijan. In addition, other volumes of Caspian regional crude oil and condensate

(Kazakhstan, Turkmenistan, SOCAR non-ACG volumes) continue to be transported via BTC.

## **Shah Deniz**

Shah Deniz participating interests are: bp (operator – 29.99%), SGC (21.02%), LUKOIL (19.99%), TPAO (19.00%) and NICO (10.00%).

In the first quarter of 2024, bp and its co-venturers spent around \$719 million in operating expenditure and around \$201 million in capital expenditure on Shah Deniz activities, the majority of which was associated with the Shah Deniz 2 project.

## **Production**

During the quarter, the Shah Deniz field continued to provide gas to markets in Azerbaijan (to Azerkontrakt), Georgia (to GOGC), Türkiye (to BOTAS), BTC in multiple locations and to buyers in Europe.

In the first quarter of 2024, the field produced about 7 billion standard cubic metres of gas and more than 1 million tonnes (about 9 million barrels) of condensate in total from the Shah Deniz Alpha and Shah Deniz Bravo platforms.

The existing Shah Deniz facilities' production capacity is currently about 79.5 million standard cubic metres of gas per day or approximately 29 billion standard cubic metres per year.

## **The Shah Deniz 2 project**

In the first quarter of 2024, Shah Deniz 2 safely achieved yet another major milestone by starting up production from the East North flank. Production from the flank commenced on 13 February following the successful completion of all related offshore construction and commissioning works. This milestone also marked the successful delivery of all subsea infrastructures across the five subsea flanks including all pipelines, production manifolds, umbilicals and the direct electric heating system.

The subsea construction vessel Khankendi expanded its scope of services within Shah Deniz 2. The vessel continued to perform project installation and commissioning activities while it also started providing life of field support covering services, surveys and interventions in all the Shah Deniz 2 subsea producing assets.

## Drilling

During the first quarter of 2024, the Shah Deniz Alpha platform rig was on warm stack.

During the quarter, the project also progressed with the wells programme activities using the Istiglal and Heydar Aliyev rigs. These mainly included completion of the SDH03 well on the East North flank and commencement of the SDD05 well drilling on the West Flank.

In total, 21 wells have been drilled for Shah Deniz 2. These include five wells on the North flank, four wells on the West flank, four wells on the East South flank, five wells on the West South flank and three wells on the East North flank.

## South Caucasus Pipeline (SCP)

The South Caucasus Pipeline Company (SCPC) shareholders are: bp (29.99%), SGC (21.02%), LUKOIL (19.99%), TPAO (19.00%) and NICO (10.00%).

In the first quarter of 2024, the SCPC spent around \$17.3 million in operating expenditure and about \$1.2 million in capital expenditure in total.

The SCP has been operational since late 2006, transporting Shah Deniz gas to Azerbaijan, Georgia and Türkiye. The expanded section of the pipeline commenced commercial deliveries to Türkiye in June 2018 and to Europe in December 2020.

During the quarter, the daily average export throughput of the SCP was 61.7 million cubic metres of gas per day.

## Exploration

In the first quarter of 2024, we continued to study the data obtained from the appraisal well (A22z) on the Azeri-Chirag-Gunashli structure to understand the potential of the deep gas layers of ACG and update options for the future development of these layers. The well was spudded on 7 February 2023 and completed in April of the same year.

In the first quarter, we also continued to analyse the data obtained from the target reservoirs of an exploration well (SDX-8) in the Shah Deniz contract area aiming to appraise the deeper reservoirs beneath the existing Shah Deniz producing layers. The

well was spudded on 20 January 2023 and reached the total depth of about 7,000 metres in December and then it was safely suspended.

On the Shafag-Asiman offshore block, evaluation of the hydrocarbon resource encountered in the first exploration well (SAX01) and planning of future activities are ongoing.

## **People**

In the 1Q of 2024, the number of bp employees in Georgia was 239.

99% of bp Georgia's professional staff are Georgian citizens.

bp will continue its efforts to optimize its learning and development programmes and will actively participate in public and private sector initiatives contributing to the development of the local talent market.

## **Social Investment**

The success of projects in the Caspian region including in Georgia depends, in part, on the operators' ability to create tangible benefits from these projects for the people of the region. To achieve this, bp and its co-venturers continue to implement major social investment projects, which include educational programmes, building skills and capabilities in local communities, improving access to social infrastructure in communities, supporting local enterprises through provision of access to finance and training, support for cultural legacy and sport, as well as technical assistance to public institutions.

During first quarter 2024, bp and its co-venturers in the bp-operated joint ventures spent more than \$ 176000 in Georgia on social investment projects. These projects included two community development initiatives along BTC/SCP/WREP pipeline communities.

In addition, bp alone supported various social projects in Georgia with the total spend of \$ 10 000. These projects included environmental/biodiversity initiatives and promoting education via providing English language courses.

For more information about bp and its co-venturers' social investment projects please visit bp Georgia website at [www.bpgeorgia.ge](http://www.bpgeorgia.ge)