

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 2024 full year results

13 February 2025

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

ACG participating interests are: bp (30.37%), SOCAR (31.65%), MOL (9.57%), INPEX (9.31%), ExxonMobil (6.79%), TPAO (5.73%), ITOCHU (3.65%), ONGC Videsh (2.92%).

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

In 2024, bp and its co-venturers spent about \$535 million in operating expenditure and about \$1,293 million in capital expenditure on ACG activities.

In 2024, a new 4-dimensional (4D) high-definition ocean bottom node seismic programme was launched on ACG. The programme, which focuses 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. The seismic acquisition scope planned for 2024 was completed safely and ahead of schedule with the seismic processing of the acquired data currently ongoing.

In mid-April 2024, oil production commenced from the new Azeri Central East (ACE) platform - the seventh offshore platform installed on the giant ACG field in the Caspian Sea.

Initial production from ACE came from the first well spudded from the platform at the end of 2023. By the end of 2024, ACE production had increased to around 26,000 barrels per day (bpd), with two more wells brought online during the year.

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 to lower operational emissions.

The safe start-up of ACE delivers on the first major investment decision made by the ACG partnership since the signing of the extended ACG production sharing agreement in 2017.

In October 2024, the first pressure coring acquisition was conducted in the ACG field, marking the first-time use of the innovative pressure coring technology not only in the Caspian but also across bp's global operations.

The pressure core acquisition was performed in the Balakhany VIII formation through a West Azeri well. During the operation, four fully pressurized core samples were successfully recovered, with all fluids captured and preserved in their in-situ condition. These samples, along with the data from on-site analysis, have been sent to a laboratory for further analysis.

## Production

During the year, ACG continued to safely and reliably deliver stable production. Total ACG production for the full year was on average about 342,000 barrels per day (b/d) (about 125 million barrels or 16 million tonnes in total) from the Chirag (23,000 b/d), Central Azeri (97,000 b/d), West Azeri (75,000 b/d), East Azeri (51,000 b/d), Deepwater Gunashli (57,000 b/d), West Chirag (29,000 b/d) and ACE (10,000 b/d) platforms.

In the fourth quarter, ACG achieved 600 million tonnes of total oil production.

At the end of the year, 148 oil wells were producing, while 46 were used for water and seven for gas injection.

## **Drilling and completion**

In 2024, ACG completed 14 oil producer, three water injector, one gas injector and one cuttings re-injector wells.

## **Associated gas**

During the year, ACG delivered an average of around 7 million cubic metres per day of ACG associated gas to the state of Azerbaijan (2.5 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.

## **Non-associated gas (NAG)**

On 20 September 2024, SOCAR together with bp and other ACG co-venturers announced the signing of an addendum to the existing ACG production sharing agreement (PSA) to progress the exploration, appraisal, development of and production from the NAG reservoirs of the ACG field. The NAG resources of ACG are believed to be significant, with up to 4 trillion cubic feet (tcf) in place.

In accordance with the addendum, SOCAR and ACG co-venturers are now planning the next steps for the development of NAG reservoirs. As part of this, an initial well is being drilled to produce gas from two priority reservoirs. The well is important as it will also deliver appraisal through production which is expected to underpin future development plans.

The well is drilled from the existing West Chirag platform with the first gas production expected in late 2025.

## **Sangachal terminal**

In 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 year, the Sangachal terminal exported about 225 million barrels of oil and condensate. This included about 224 million barrels through Baku-Tbilisi-Ceyhan (BTC) and around 1 million barrels through the Western Route Export Pipeline (WREP).

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, about 76 million standard cubic metres (about 2,654 million standard cubic feet) of Shah Deniz gas was sent from the terminal daily during the year of 2024.

### **Baku-Tbilisi-Ceyhan (BTC)**

The Baku-Tbilisi-Ceyhan Pipeline Company (BTC Co.) shareholders are: bp (30.10%), SOCAR (32.97%), MOL (8.90%), TPAO (6.53%), Eni (5.00%), TotalEnergies (5.00%), ITOCHU (3.40%), ONGC Videsh (3.10%), ExxonMobil (2.50%) and INPEX (2.50%).

In 2024, BTC Co. spent \$146 million in operating expenditure and \$44 million in capital expenditure.

Since the 1,768 km BTC pipeline became operational in June 2006 till the end of 2024, it carried a total of more than 4.4 billion barrels (about 591 million tonnes) of crude oil loaded on 5,862 tankers and sent to world markets.

In 2024, about 223 million barrels (29 million tonnes) of BTC-exported crude oil was lifted at Ceyhan and loaded on 305 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, other SOCAR volumes produced in Azerbaijan) continue to be transported via BTC.

### **Shah Deniz**

Shah Deniz participating interests are: bp (operator – 29.99%), LUKOIL (19.99%), TPAO (19.00%), SGC (16.02%), NICO (10.00%) and MVM (5.00%).

In 2024, bp and its co-venturers spent around \$2,203 million in operating expenditure and around \$766 million in capital expenditure on Shah Deniz activities, the majority of which was associated with the Shah Deniz 2 project.

The Shah Deniz Alpha (SDA) power project, which started in 2022, was successfully completed in the fourth quarter of 2024. This has enabled the SDA platform to receive its power supply directly from the Bravo platform, located just 8 kilometers away. The power connection has been established via a subsea power and fibre optic cable. This upgrade eliminates the need for the five diesel generators that had powered SDA since its start-up, increasing the platform's operational efficiency, providing a robust, long-term, high-availability power supply and reducing costs.

## Production

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

In 2024, the field produced around 28 billion standard cubic metres of gas and more than 4 million tonnes (around 35 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 million standard cubic metres of gas per day or approximately 29 billion standard cubic metres per year.

## The Shah Deniz 2 project

In the fourth quarter of 2024, Shah Deniz 2 achieved the start-up of the third well on the East North flank and progressed with subsea execution scope on the West South flank.

The subsea construction vessel Khankendi continued to provide life of field support covering services, surveys and interventions across all of the Shah Deniz 2 and ACG subsea producing assets. The single vessel strategy continued to be implemented in the region, with the Khankendi serving as the main vessel for all offshore construction, installation, inspection, maintenance and repair works, as well as for emergency response activities, making bp's and its partners' operations in the Caspian safer and more efficient.

The Shah Deniz 2 activities remain the primary mission for the Khankendi, focusing on delivering the remaining wells within the project. To ensure the efficient utilization of the

vessel and drilling rigs, an integrated schedule has been developed to optimize activities and accelerate well start-up dates.

## Drilling

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

The Shah Deniz 2 project progressed with the wells programme activities using the Istiglal and Heydar Aliyev rigs. During the fourth quarter, the Istiglal rig delivered the de-completion and started the re-completion of the SDF02 well on the West South flank. The Heydar Aliyev rig progressed with the drilling of the SDD05 well 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 2024, the SCPC spent around \$81 million in operating expenditure and \$20 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 year, the daily average export throughput of the SCP was 62.8 million cubic metres of gas per day.

## Exploration

In 2024, we continued to analyse the data obtained in 2023 from the target reservoirs of an exploration well (SDX-8) in the Shah Deniz contract area, with the aim to appraise the deeper reservoirs beneath the currently producing Shah Deniz layers.

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

On 20 September, bp and SOCAR signed a memorandum of understanding (MOU) announcing bp's intention to join existing agreements on two exploration and development blocks in the Azerbaijan sector of the Caspian Sea. These are the Karabagh oil field and the Ashrafi-Dan Ulduzu-Aypara exploration area (ADUA).

## People

In 2024, the number of bp Georgia's employees was 237. 99% of bp Georgia's 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 2024, bp and its co-venturers in the bp-operated joint ventures spent more than \$ 550,000 in Georgia on social investment projects. During the year, these projects included community development initiatives along all three BTC/SCP/WREP pipeline communities.

In addition, in 2024, bp alone spent around \$120,000 on various social projects in Georgia. During the year, these projects included program with aim to engage school students in the specialized educational program focusing on social innovations. We have supported environmental/biodiversity initiatives and promoted education via providing English language courses for the local media and agency of protected areas.

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)