PRESS RELEASE
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LUKOIL COMPLETES THE DEAL ON ACQUIRING INTEREST IN SHAH-DENIZ PROJECT

PJSC LUKOIL announces completion of the transaction of buying a 9.99% interest in the Shah-Deniz gas project from PETRONAS. The transaction value is approximately $1.45 billion.

Following the completion of the deal, LUKOIL increased its share in the project from 10% to 19.99%. Other parties to the project are bp (29.99%, operator), TPAO (19%), SOCAR (14.35%), NICO (10%) and SGC (6.67%).

Information:

The Shah Deniz gas condensate field is located in the Azerbaijan sector of the Caspian Sea, 70 kilometres southeast of Baku.

The project is implemented under a PSA; commercial production there began in 2006. In 2021, Shah Deniz consortium extracted 22.7 bcm of gas and 4.2 million tonnes of oil and gas condensate.

In 2018, the second stage of the project was launched, with annual production expected to reach 26 bcm of gas and 5 million tonnes of oil and gas condensate. The gas is sold on the markets of Azerbaijan, Georgia, and Turkey. Since December 2020, it is also delivered to Europe.

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