



Center for Strategic & International Studies
Washington, DC

Georgia Forum

Update on Baku-Tbilisi-Ceyhan and Shah Deniz

with

David Woodward and Michael Townshend

3:30-5:00 p.m., October 10, 2001
B1A Conference Room

After years of debate on whether Baku-Tbilisi-Ceyhan (BTC) oil and Shah Deniz gas pipelines from Azerbaijan through Georgia to Turkey would ever happen, governments have signed the relevant documents and sponsor companies have started initial work. Total planned investment in these projects is around \$15 billion.

BTC is currently in the detailed engineering phase with construction scheduled to commence in summer 2002. The sponsor group (SOCAR 50%; BP 25.41% and operator; Unocal 7.65%; Statoil 6.37%; TPAO 5.02%; Itochu 2.92%; Delta Hess 2.03% and Devon Energy 0.60%) is working on the financing plan for the pipeline. Shah Deniz will be more or less parallel to BTC. On September 29, 2001, Georgia and Azerbaijan signed the outstanding governmental agreements, which enable the companies to commence work.

Despite all these developments, there will undoubtedly be challenges until both pipelines begin transporting in 2004. In our next meeting we will be updated on the latest work on both projects, as well as discuss the implications of September 11 events to the viability of these pipelines.

David Woodward is the President of BP Azerbaijan and has overall responsibility on behalf of BP and other participants for development of the Azeri-Chirag-Gunashli (ACG) offshore oilfields, BTC and Shah Deniz projects. Michael Townshend is General Manager of the BTC.

The meeting will take place at the CSIS in the B1A Floor Conference Room, from 3:30-5:00 p.m. on October 10, 2001.