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Deep Water Gunashli Production Start-up in the Caspian Sea, Azerbaijan

INPEX Holdings Inc. is pleased to announce that the Azerbaijan International Operating Company (AIOC), of which its subsidiary, INPEX Southwest Caspian Sea, Ltd. is a shareholder, started-up the successful oil production on 20 April from the Deep Water Gunashli platform complex in Azeri-Chirag-Gunashli (ACG) field development project. The Deep Water Gunashli complex completes Phase 3 of the ACG field development in the Azerbaijan sector of the Caspian Sea.

Production will increase through 2008. On plateau, the Deep Water Gunashli complex will produce 320,000 barrels per day, bringing total ACG production, including Chirag, Central Azeri, West Azeri and East Azeri, to over 1 million barrels per day.

The ACG Production Sharing Agreement (PSA), signed in September 1994, covers the 30-year development of the ACG contract area (432.4km²). It is estimated that 5.4 billions barrels of oil will be recovered during the PSA period. The field has been developed in 3 phases: Chirag has been producing since 1997 as part of the Early Oil Project. It was followed by Azeri Project Phase 1 – Central Azeri production in early 2005. Successive Phase 2 has included West Azeri, which started production in December 2005, and East Azeri, which started production in October 2006. The final ACG development phase – Phase 3 (Deep Water Gunashli) has just started up. Total oil production from ACG field is expected to achieve 1 million barrels per day in 2009.

The parties to the Azeri-Chirag-Gunashli (ACG) Production Sharing Agreement are: BP (operator – 34.1%), Chevron (10.3%), SOCAR (10%), INPEX (10%), StatoilHydro (8.6%), ExxonMobil (8%), TPAO (6.8%), Devon (5.6%), Itochu (3.9%) and Hess (2.7%).

ACG Project Location Map

