Field development goals
Rovnag ABDULLAYEV
President
STATE OIL COMPANY OF THE AZERBAIJAN REPUBLIC

Future intentions
Gordon BIRRELL
Regional President for Azerbaijan, Georgia and Turkey
BP

Returns on investment
Tofig GAHRAMANOV
General Director
OIL AND GAS PROCESSING AND PETROCHEMICAL COMPLEX
Oil is the most valuable of Azerbaijan's natural resources. It has played a great role in the development of the people's art, culture, and technology, and has also been the cause of bitter times in the life of the Azerbaijani nation.

Azerbaijan is known to the world as the "Land of Fire." Oil has been present on this land since the most ancient days. Information about crude oil recovery in Azerbaijan was repeatedly mentioned in art works and reports of scientists and travelers of the early Middle Ages, and it was noted that such an uncomon product would generate a significant income. There is extensive information in Roman, Persian, Arabic, Turkish, and Jewish sources from ancient times, the Early and Middle Ages about Azerbaijan, the Caspian Sea, the Ateshgar Peninsula, the methods of oil extraction applied here, and about the utilization of "black gold" for various purposes. But at that time oil was only used for fuel, medieval and military purposes.

In the 18th and 19th centuries the industrial revolution caused a sharp rise in oil demand and transformed it into a strategic output being essential for development of the country. Subsequently, the oil industry began to grow all over the world. A flow of foreign investments occurred in oil production of Azerbaijan, having ancient oil extraction traditions Baku city became a center of invention and initial application of high technologies in oil recovery and refining. There emerged a turning point on oil production still in the middle of the 19th century and for the first time in the world oil wells were drilled in Shibliyev in 1847, then in Balakhan by application of technique. In 1901 Azerbaijan took the first place in the world by producing 11,5 tons of oil in the same year 2,1 million tons of oil was produced in USA. In the history of Azerbaijan Soviet Republic an average of 23,5 million tons of oil was produced. The maximum extent was extracted in 1941 and it constituted 71,4% of overall oil output of former Soviet Union. Such high production assured the victory of the Soviet Union in Second World War and promoted the particular role of oil resources in solution of many economic problems.

Azerbaijan oil has been in the geopolitics arena from the 18th century onwards and has been the driving force behind vital events in and around the country. In the 19th and 20th centuries, Azerbaijan's natural resources became increasingly crucial to the people's development in all fields. On the one hand, oil was the main factor in the Russian Empire's occupation of Azerbaijan but also, on the other hand, in the country's socio-economic revival, the accumulation of national capital and its industrial, scientific and cultural development. During the World Wars I and II, Baku oil was very important to the political, military and economic plans of various countries.

Although the foundations for the extraction and processing of oil by industrial methods and the discovery and extraction of deep-water oil deposits in the Caspian Sea were laid in Azerbaijan, in the late 20th century, the state neither owned its natural resources nor fully enjoyed the profits arising from oil and gas until it gained independence. The name of Azerbaijan only became widely known in international circles about 2 decades ago, after the signing of the Contract of the Century with the international oil corporations. At that time began the growth of modern Azerbaijan, with the success of the new oil strab and for the first time in history Azerbaijan oil began to serve the nation to which it belongs.
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Since 2006, the Shah Deniz field has produced 9 bcm (318 bcf) per year of gas. In 2013, the BP-led consortium that operates the field announced its final investment decision; clearing the way for a new phase of construction intended to increase production from the field and integrate it with the European energy market. First gas is expected by 2018.

Oilfield Services

The advancing of onshore, offshore and shale resources in Azerbaijan offers promise to both diversify the market and create new opportunities for a highly competitive Azerbaijani oilfield services sector. While household international names are present in the domestic market, the State Oil Company of the Azerbaijan Republic is making efforts to contract its own services providers, such as SOCAR-AQS and the Caspian Drilling Company.

Engineering & Construction

Having long been a market dominated by major international companies, Azerbaijan’s engineering, procurement and construction sector is in 2015 a fertile ground for local players. The operations of WestChirag at the Azeri-Chirag-Guneshli oilfield in January 2014 signalled the way for an increase in Azeri-based operational support, with the entirety of fabrication works for the offshore platform performed locally.
Midstream

As the EU seeks to diversify its energy sources and shift away from its reliance on Russian natural gas, Azerbaijan is enhancing its export capabilities through hydrocarbons transport infrastructure. Several pipeline initiatives are at various stages of development, augmenting those implemented under former Azerbaijani President Heydar Aliyev’s oil strategy of the late 1990s. However, as global energy alliances shift, regional politics could hamper progress.

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Azerbaijan is looking to diversify its natural resource-dependent economy. While commitments upstream and in the midstream limit such an initiative, the country is moving forward with ambitious downstream projects, most notably in petrochemicals. This is largely supported by capital generated during the expansion of national oil production of the 2000s.

Azerbaijan already functions as a nucleus for hydrocarbons transportation, owing to its location as a natural oil and gas transit point between Europe and Asia. In 2015, national intent is to further establish the country as a major centre for logistics, in all capacities. On top of this, domestic hydrocarbons potential offshore, demanding the progression of marine fabrication and shipbuilding capabilities, is set to drive activity in the local marine and logistics sector.

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   Rovnag ABDULLAYEV
   President
   STATE OIL COMPANY OF THE AZERBAIJAN REPUBLIC

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Field development goals

How has the oil and gas industry in Azerbaijan developed over the past 20 years? What has been the significance of the Contract of the Century during this period?

Over the past 20 years, Azerbaijan has come into being as an independent state, as the true owner of its natural resources, and has been developing its national interests, economic and strategic targets. We can understand the importance of the Contract of the Century with this in mind, as it became an important guarantee of the state’s sovereignty. This contract has worked as a driving force for the economy of Azerbaijan and gave it new breath.

The geopolitical importance of our rapidly developing republic, its influence and prestige have increased. The country’s relations with the east are now at a strategic point. Azerbaijan has become a regional leader and an essential partner for the international community. Energy independence has been fully achieved. Azerbaijan used to be a gas-importing country but is now an important gas exporter.

Natural gas produced in Azerbaijan is being exported to Georgia, Turkey, Russia, Iran and Greece. New natural gas fields have been brought on line, and the country is in a good position for the starting of projects that have both regional and global importance. The country has demonstrated successful co-operation with foreign partners, and during the past 20 years more than 3,000 local companies and organisations have been involved in the Azeri-Chirag-Guneshli (ACG) project. Boosted by the oil industry, other sectors have also undergone development, increasing their share of the GDP.

What has been your role in stabilising oil production in the ACG field? How do you foresee the future of the field?

The intensive efforts made over the past 20 years have paved the way for the dynamic growth of oil and gas production in Azerbaijan. It has risen from the lowest oil production level of 9 million tonnes per annum in 1997 almost sixfold, to 51 million tonnes per annum in 2010.

We note that the highest oil production rate in Azerbaijan (23.482 million tonnes per annum) was recorded in 1941. Currently, an average of 2.7 million tonnes of oil and 1.5 bcm (5.3 tcf) of associated gas are being produced monthly from the 80 wells in the Azeri, Chirag and deepwater Guneshli field.

The field's development under the Contract of the Century has led to the doubling of hydrocarbons reserves at the ACG field. Before the contract was signed, the total volume of hydrocarbons reserves was calculated as 511 million tonnes of oil and 160 bcm (5.7 tcf) of gas. Recoverable reserves in the field are now estimated as 7.33 billion barrels of oil and 350 bcm (12.4 tcf) of natural gas.

From the start of development up to date, 345 million tonnes of oil and 100 bcm (3.3 tcf) of gas have been produced from the block.

Azerbaijan's oil production is expected to be, on average, 34 million-35 million tonnes per annum in the near future. Plans for the future exploration of the ACG field through 2050 and beyond have been prepared, prioritising stable and increasing oil production.

The Chirag Oil Project, which was sanctioned in 2010 and successfully completed at the beginning of 2014, is the most demonstrative example of the modern technologies we have been applying in the Caspian Sea.

The West Chirag platform, which was commissioned as part of the project, was built mostly by local construction workers and was installed at a depth of 170 metres. The platform has a capacity of 25,000 tonnes of oil and 8 mcm (285 tcf) of gas per day.

The Dede Gorgud semi-submersible drilling rig completed the first 17 pre-drilling wells, which are now sequentially tied-in to the platform and drilled to target depth. The first five tiebacks have been completed.

Start of production from West Chirag is a very important step towards stabilising and increasing oil production at Chirag and other blocks of fields. This area, and the block as a whole, was first explored by the West Chirag platform. This project is intended to ensure maintaining the stable and long-term maximum level of production from the ACG field.

SOCAR made a strategic decision to increase exports to Europe rather than markets in the region. This shift will require infrastructure to be upgraded and expanded.

The Shah Deniz consortium has agreed to invest $45 billion in expanding production at the field and building pipelines across Turkey and into Greece, Albania and Italy to support this strategic move. This mega-project will establish a 3,500-kilometre pipeline system that spans from Azerbaijan to Europe.

Modern underwater production technologies will be installed in the Caspian Sea, the Southern Caucasus Gas Pipeline will be enlarged and the Trans- Anatolian Pipeline and the Trans Adriatic Pipeline (TAP) will be built.

The Southern Gas Corridor, as this project is called, will bring new gas supplies to Europe for the first time in decades, at a time when the EU is looking to diversify its energy sources.

What other areas is SOCAR exploring?

The hydrocarbons reserves of the Umid gasfield, discovered in 2010, are estimated at as. 200 bcm (7 tcf) of gas and at least 40 million tonnes of condensate. To date, 490 mcm (17.3 tcf) of gas and around 84,000 tonnes of condensate have been produced. In 2014, we continued to drill extension and production wells.

The results of 3D-seismic surveys at the Umid gasfield are being drawn up. The initial prospecting and exploration at the Nakhchivan, Shafag Asiman, Babek, Zafar-Mashal and other large fields gave promising results. We plan to begin work at these fields in the near future.

The intensive efforts made over the past 20 years have paved the way for the dynamic growth of oil and gas production in Azerbaijan.

The intensive efforts made over the past 20 years have paved the way for the dynamic growth of oil and gas production in Azerbaijan.
In April 2014, the Saipem-BOS Shelf-Star Gulf consortium signed a master agreement with BP for the fabrication, transportation and installation of the offshore facilities for the Shah Deniz phase two project. The agreement included two call-off agreements, which included a $750-million contract for the construction of more than 45,000 tonnes of jackets, piles and subsea structures and a $1.8-billion contract for offshore transportation and installation of the jackets, piles, topsides and subsea infrastructure, laying export and in-field pipelines and diving services.

On December 17, 2013, the Shah Deniz consortium announced the final investment decision for the phase two development of the Shah Deniz gas and condensate field. Shah Deniz phase two will be the first fully subsea development in the Caspian Sea, demanding the drilling and completion of 26 subsea wells and the construction of two bridge-linked platforms. The upstream development together with the expansion of the South Caucasus Pipeline to transport the 16 bcm (565 bcf) per year of gas from phase two will cost $28 billion and create around 15,000 jobs in Azerbaijan alone.

On September 20, 2014, the day marking the 20th anniversary of the Contract of the Century, the groundbreaking ceremony for the South Caucasus Pipeline expansion took place. The expansion is the first step in the construction of the Southern Gas Corridor. With an initial investment of $5 billion, the expansion will add a capacity of 16 bcm (565 bcf) per year through a 48-inch pipeline. The South Caucasus expansion will consist of a loop parallel to the existing pipeline, with 428 kilometres through Azerbaijan and 61 kilometres in Georgia.

The Oil and Gas Processing and Petrochemical Complex aims to develop a gas processing plant with a capacity of 12 bcm (424 bcf) per year, a petrochemicals plant with a 1.1-million-tonne yearly capacity and an oil refinery with an annual capacity of up to 9 million tonnes. SOCAR-Foster Wheeler did the pre-FEED and FEED for the gas processing plant. The oil refinery is expected to be operational in the early 2030s, with the rest of the complex to be operational by 2020. The current estimated cost for the gas processing plant and petrochemicals plant stands at about $7 billion.
Socioeconomic development

Since the mid-1990s, Azerbaijan has achieved socioeconomic growth in several key areas ranging from education to employment. The country has also increased its national wealth through a combination of an increased state presence in the hydrocarbons industry and the investment of oil profits in social services, as well as the alleviation of geopolitical tensions.

In 1994, three years after gaining independence from the Soviet Union, Azerbaijan signed a historic production-sharing agreement, dubbed the Contract of the Century, with international oil companies such as BP, Exxon (now ExxonMobil) and Norway’s Statoil. The deal ushered in a boom in oil production that would change the country’s economic trajectory.

RAPID PROGRESS: Oil revenue from the contract helped Azerbaijan quell the economic decline that it experienced after the collapse of the Soviet Union and deal with the ongoing unrest in Nagorno-Karabakh and surrounding regions. Socioeconomic indicators have demonstrated rapid growth in Azerbaijan. Statistics published by the World Bank reveal that the country’s poverty rate decreased from nearly 50 percent in 2001 to just 5.3 percent in 2013, due, in part, to government social programmes and services being bolstered by substantial oil profits. According to the latest figures, Azerbaijan’s unemployment rate is at a mere 5.4 percent, compared to 11.8 percent in early 2001.

In 2014, Azerbaijan’s ranking on the UN’s human development index was 76th, compared to 101st in 2005, indicating that the country is making swift progress in social development. Per capita incomes have steadily risen and the Azeri manat has become a stable currency in the region.

STATE ASSISTANCE: Azerbaijan’s sovereign wealth fund, the State Oil Fund of the Republic of Azerbaijan (SOFAZ), is one of the main drivers of socioeconomic development. From January to September 2014, SOFAZ’s revenues were nearly $13 billion.

The fund has sponsored initiatives to improve infrastructure throughout the country. For example, SOFAZ has financed the construction of numerous pipelines to provide access to water to the population throughout the country. Due to investments in these projects, Azerbaijan ranks high in access to water. In 2012, nearly 71 percent of the country’s rural population had reliable access to water.

SOFAZ has also heavily reinvested in major oil and gas projects such as the Southern Gas Corridor. It had allocated $51 million for the state share of the project as of April 2014 and will also fund 90 percent of the required equity capital for the Oil and Gas Processing and Petrochemical Complex. Providing financial backing for these projects will ensure Azerbaijan’s continued growth.

WAYS TO GO: While existing socioeconomic benchmarks in Azerbaijan are encouraging, work remains to be done to ensure stability. The surge of the telecommunications and information technology sectors, which are heavily supported by the government, highlights the need to expand the local pool of human resources and invest in skilled labour.

In the first three quarters of 2014, SOFAZ spent more than $50 million on social projects, including the provision of scholarships to university students to study abroad. These investments have led to the crucial development of human capital and a local workforce educated to international standards. ■

Caspian Shipyards Company

Caspian Shipyards Company LLC
South Bay, Sabail District
Baku AZ1023, Azerbaijan
20 years of development in the oil and gas industry

1994
- September 20
  The State Oil Company of the Azerbaijan Republic (SOCAR) and a consortium of foreign oil companies sign the Agreement on the Joint Development and production-sharing agreement (PSA) for the Azeri-Chirag-Guneshli (ACG) portion of the Guneshli fields in Azeri waters of the Caspian Sea.
- December 12
  The Azerbaijan parliament ratifies the PSA, and the Azerbaijan International Operating Company (AIOC) is established to implement the agreement.

1995
- January 24
  The first steering committee meets. President Heydar Aliyev addresses the committee.
- October 9
  The third steering committee approves the Early Oil Project and the two Early Oil export options – the northern, through Russia, and the western, through Georgia.

1996
- January 18
  Azerbaijan and Russia sign the Intergovernmental Agreement on the transit of Azeri oil via a pipeline from Baku to Novorossysk.
- March 8
  Azerbaijan and Georgia sign the Intergovernmental Agreement on the transit of Azeri oil via a pipeline from Baku to Supsa.
- June 4
  The Shah Deniz PSA is signed.

1997
- November 7
  First oil is produced from the Chirag-1 platform.
- November 12
  The Sangachal terminal is inaugurated.

1998
- January 12
  The first barrels of AIOC oil are pumped into the Northern Route pipeline system.
- March 24
  The first tanker carrying AIOC oil ships from Novorossysk, Russia.
- December 10
  The first barrels of AIOC Early Oil are pumped into the Western Route pipeline system.

1999
- April 8
  The first tanker carrying AIOC oil departs Supsa, Georgia.
- April 17
  The premiers of Azerbaijan, Georgia and Ukraine inaugurate the Western Route Export Pipeline and the Supsa Terminal on the Georgian coast of the Black Sea.

2000
- February
  BTC signs project finance agreements.

2001
- August 30
  The ACG phase one project is inaugurated.

2002
- September 18
  The ACG phase two and Baku-Tbilisi-Ceyhan (BTC) projects are inaugurated.

2003
- February
  Phase one of the Shah Deniz development begins.
- April
  Construction on the BTC pipeline begins.

2004
- February 3
  BTC signs project finance agreements.
- September 20
  ACG phase three is sanctioned. The 10th anniversary of the Contract of the Century is observed.
- October 16
  A ceremony is held in which the joints connecting the Azeri and Georgian sections of the BTC oil export pipeline are symbolically welded together by the presidents of the two host countries, Ilham Aliyev and Mikheil Saakashvili.
- October 21
  Construction of the South Caucasus Pipeline begins.
OIL INDUSTRY DEVELOPMENT IN AZERBAIJAN SINCE 1994

2005
- February 14: Central Azeri production begins at the ACG field.
- May 25: The Azeri section of the BTC oil-export pipeline is inaugurated by the presidents of Azerbaijan, Georgia, and Turkey.
- October 12: The Georgian section of the BTC oil export pipeline is inaugurated by the presidents of Georgia, Azerbaijan, and Turkey.

2006
- January 5: West Azeri production starts up.
- May 26: The Central Azeri platform makes its first gas injection into the Southern Caucasus Pipeline.
- June 4: BTC sends its first oil from the port of Ceyhan.
- July 13: BTC celebrates full commissioning. An official inauguration of the Turkish section of the BTC oil export pipeline takes place.
- October 12: East Azeri production begins.
- December: First gas is produced from Shah Deniz.

2007
- March: A capacity of 1 million barrels of oil per day is reached by BTC.
- July: First gas is delivered from the Shah Deniz field to Turkey.
- November: A large gas-condensate discovery is made at Shah Deniz following drilling to a Caspian record depth of more than 7,300 metres.

2008
- April 22: Deepwater Guneshli production starts up.

2009
- March: BTC’s capacity is expanded to 1.2 million barrels of oil per day.

2010
- March 9: A 56-billion investment is sanctioned for the Chirag Oil Project.
- September 13: BTC marks its 1st billion barrels of crude oil sent to world markets.
- October 7: BP and SOCAR sign a PSA for exploring and developing the Shafag-Asiman structure.
- November 11: A five-year extension – from 2031 to 2036 – to the Shah Deniz PSA is signed.

2011
- May 10: A new PSA for the Shafag-Asiman structure is ratified by the Azeri parliament.
- October 25: Shah Deniz gas sales and transit agreements are signed in Turkey.

2012
- January: Shah Deniz has its first 3D-seismic survey.
- May 18: ACG field production exceeds 2 billion barrels.
- October 23: West Chirag platform jacket construction at the Baku Deepwater Jackets Factory is completed. BTC celebrates the loading of its 2,000th tanker at the port of Ceyhan.
- November 7: Chirag celebrates the 15th anniversary of successful production since first oil.

2013
- April: The jacket for the West Chirag platform sails from the Baku Deepwater Jackets Factory and is safely fitted on the pre-installed template in its permanent location.
- June 28: The Shah Deniz consortium announces its selection of the Trans Adriatic Pipeline as a transportation route to Europe.
- September 16: The topsides unit for the West Chirag platform is installed onto the jacket in the ACG field.
- December 17: A final investment decision for Shah Deniz phase two is announced. SOCAR and the Shah Deniz consortium extend the PSA to 2048.

2014
- January 29: Production begins at the West Chirag platform.
- April 22: BTC loads its 2,500th tanker at Ceyhan.
- September 20: The 20th anniversary of the Contract of the Century is observed. Operations begin for the expansion of the South Caucasus Pipeline.
POLITICAL
- Official name: Republic of Azerbaijan
- Population: 9,490,600 (2014)
- Official language: Azeri
- Political system: Unicameral presidential system
- Head of state: President Ilham Aliyev

ECONOMY
- Currency: manat ($1:AZN0.784, July 2013-July 2014)
- GDP: $73.6 billion (2013)
- Inflation 2014: 1.5 percent
- Unemployment rate: 6 percent (2014)
- Main exports: Oil and gas, machinery, cotton, foodstuff

Main imports: Machinery, oil products, foodstuff, metals, chemicals
Major trading partners: Italy, France, India, Indonesia, Germany, Israel

GEOGRAPHY
- Area: 86,600 square kilometres
- Capital city: Baku

ENERGY
- First half of 2014 crude oil production: 845,000 barrels of oil per day
- 2013 proven oil reserves: 7 billion barrels
- 2013 gas production: 16.2 bcm ($72 bcf)
- 2014 proved gas reserves: 991 bcm (35 tcf)

Azerbaijan, 20 years after the Contract of the Century

In 2014, Azerbaijan celebrated 20 years since the signing of the production-sharing agreement (PSA) for the Azeri-Chirag-Guneshli field (ACG), dubbed the Contract of the Century. As the first major investment by Western companies in a post-Soviet economy, the contract ushered in sustained growth and the development of a highly competitive local hydrocarbons industry.

Investment in the ACG field has had a significant impact on Azerbaijan's post-Soviet history. The Contract of the Century facilitated the production of more than 2.6 billion barrels of oil between 1997 and the first half of 2014, from the country's largest field, located 120 kilometres off the coast.

ACG's development is owed to $29 billion of investment that has been provided by the Azerbaijan International Operating Company (AIOC), an international consortium initially comprising the State Oil Company of the Azerbaijan Republic (SOCAR), the UK's BP and Ramco, the US' Amoco, Pennzoil, Exxon, McDermott and Unocal, Russia's Lukoil, Norway's Statoil, Saudi Arabia's Delta Nimir and Turkish Petroleum.

The AIOC consortium in 2015 consists of BP with a 35.8-percent stake, SOCAR with 11.6 percent, Chevron with 11.3 percent, Japan's Inpex with 11 percent, Statoil with 8.6 percent, ExxonMobil with 8 percent, Turkish Petroleum with 6.8 percent, Itochu with 4.3 percent and India's ONGC Videsh holding 2.7 percent.

Incentives for international companies were necessary due to the dire economic situation Azerbaijan was experiencing, a lack of funding and risks related to operating in a virgin market.

WITH ACG COMES GROWTH: The ACG field, which accounted for 75 percent of the country's oil output in 2013 and about 70 percent of its total reserves (5 billion barrels), has become a symbol of the dramatic turnaround in the country's fortunes over the last 20 years.

From 1989 to 1994, Azerbaijan's GDP fell 60 percent. The oil industry suffered a decline and under-investment. Oil production fell from almost 147 million barrels in 1970, when it was a key component of the Soviet Union's energy output, to a little more than 73 million barrels in 1995.

The reversal in fortunes has been staggering. Since 1994, the Azerbaijani government has signed 32 PSAs, bringing an estimated $60 billion in foreign investment to the country. This has produced impressive results since the turn of the century. From 2001 to 2009, GDP growth averaged 16 percent, with an even higher figure of 27 percent for the period between 2003 and 2009.

While there has been some slowdown following the global financial crisis, the oil industry still accounts for more than 40 percent of GDP. In the first nine months of 2014, production of crude oil and gas condensates stood at around 235 million barrels of oil equivalent, more than triple that in the nine months prior to the signing of the PSAs.

Much of this is the result of the liberalisation of the industry in the mid-1990s. A total of 34 companies headquartered in 15 countries are now working in onshore and offshore fields in Azerbaijan. The regulatory framework for this foreign investment was set by the terms of the first contract for the ACG field in 1994.

The terms of this agreement proved highly competitive for the 11 original signatories to the contract. Unsurprisingly, given the risks associated with operating in an untested market, the terms of this first 30-year agreement have proven the most attractive for investors.

MAKE IT WORTH THE RISK: Incentives offered to international companies were necessary in bringing investment to Azerbaijan's oil and gas industry. Given the dire economic situation the country experienced in the early 1990s, its concomitant inability to access long-term funding from abroad and the risks associated with operating in a virgin market, foreign investment would be key.

Azerbaijan has maintained its reputation as an attractive investment opportunity for oil and gas activities. The fiscal regime, articulated in bringing investment to Azerbaijan's oil and gas industry. Given the dire economic situation the country experienced in the early 1990s, its concomitant inability to access long-term funding from abroad and the risks associated with operating in a virgin market, foreign investment would be key.

Other countries in the region, in line with many oil contract regimes globally, impose royalties on international oil companies ranging from 0.5 percent to 30 percent. These countries also have a more extensive fiscal framework for the oil industry, including in certain circumstances an excess profit tax, a value-added tax and an excise.