
Azerbaijan to increase oil, gas production.

UPI

3/29/2007

BAKU, Azerbaijan, March 29 (UPI) -- Azerbaijan will increase annual oil production to 476 million barrels and natural gas production to 30 billion cubic meters by 2010, its energy minister said.

Natiq Aliyev said oil production will double from the nearly 237 million barrels produced last year, The Moscow Times reports.

He said the bulk will come from increased production at the Azeri-Chirag-Guneshli oilfield in the Caspian Sea. The Shah Deniz project will make up most of the increase in natural gas, Aliyev said.

Azerbaijan added to the global oil market when the \$4 billion Baku-Tbilisi-Ceyhan pipeline opened last year, sending Caspian crude to markets in the West. The project was supported since it sends non-Middle East oil to market, bypassing Russia.

Aliyev said the country will soon take control of the Azerbaijan Gas Supply Co. from Norway's Statoil, the current operator. Part of that will include Shah Deniz gas sent to market from a new pipeline from Baku to Erzerum, Turkey, through Georgia.

Gas supplies from Shah Deniz are soon expected to start flowing through a newly constructed parallel gas pipeline from Baku via Georgia to Erzerum in eastern Turkey. Aliyev said Azerbaijan would eventually control marketing and sales of gas from the Shah Deniz.

"Azerbaijan itself will conduct all talks on gas supplies to the European markets," Aliyev said.
