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# Azerbaijani Oil Loses Its Importance : A Well-Known Energy Expert, Petros Terzyan, States

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The Civilitas Foundation held its first event in a Yerevan hotel yesterday [9 December]. The chairman of the Petrostrategy international consulting company (Paris), Petros Terzyan, lectured on the topic "Oil - an economic and political factor in the Caucasus".

While introducing him, the founder of the Civilitas foundation, former Foreign Minister Vardan Oskanyan said that Terzyan was an unofficial aide of the Armenian foreign ministry during his [Oskanyan's] term in office. This information gave ground to uncertain doubts, whether it was not on the basis of information provided by him [Terzyan] that Armenian top officials had stated that Azerbaijani oil reserves were extremely exaggerated, and those reserves will deplete soon and so on.

During the lecture, Terzyan said that Kazakhstan's oil reserves and exports exceed Azerbaijan's indications. Then he said that no new oil deposits had been discovered in Azerbaijan since the collapse of the Soviet Union. According to Terzyan, the oil extraction in Azerbaijan will remain at its height up to 2015-20 at best, then a gradual decrease will start, as it happens in all countries: "At the moment, when Azerbaijan reached its golden age in the sense of oil - the prices went down. This is interesting - currently Azerbaijan is less important for the global oil market both in an economic and political sense than six months ago.

"That is - the world needed the Azerbaijani oil at the beginning of this year more [than now], it needed it two years ago; the world could not go without Azerbaijani oil in 2005, as there was no other resource - they needed every drop of it. However now, as the consumption has decreased while the abundance of oil in the world continues to increase - there will be no panic in the world if Azerbaijan stops producing oil."

While answering a question whether we [Armenia] can become a transit country with the construction of the Iran-Armenia gas pipeline, Mr Terzyan said, first of all, that this structure is one of Armenia's biggest victories, as we finally have a second source of gas supplies [beside the Russian gas]. He said, however, that he does not believe that we will become a transit country: "There are big political issues to solve so that Armenia becomes a transit country. Especially, that we will have conflicts and differences of interests with Russia in that case. The Russian Federation understood very well the importance for Armenia to have a gas link with Iran. However, if tomorrow the Iranian gas is directed to regions, where the Russian gas is supplied - this issue will not be in mind anymore." Besides, he believes it is open to question for whom Armenia should become a transit country as Georgia already has "at least two sources [of gas supplies] - Azerbaijan and Russia".

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