

Signing of Non-Associated Gas deal in Azeri-Chirag-Deepwater Gunashli (ACG), Azerbaijan

New Delhi | 21 September 2024

ONGC Videsh, together with the State Oil Company of the Azerbaijan (SOCAR), bp, MOL, INPEX, Equinor, ExxonMobil, TPAO, and ITOCHU, have signed an addendum to the existing Production Sharing Agreement (PSA) for ACG Field in the Azerbaijan sector of the Caspian Sea.

The addendum amends the ACG PSA enabling the parties to progress the exploration, appraisal, development and production from the Non-Associated Natural Gas (NAG) reservoirs of the ACG field and is effective till the end of the existing ACG PSA in 2049.

The NAG resources of ACG are believed to be significant, with up to 4 trillion cubic feet (tcf) in place.

The new gas deal was celebrated in Baku today during an event which marked Azerbaijan's national Oil Workers' Day and the 30th anniversary of the signing of the ACG PSA.

The participating interests of the ACG co-venturers in the NAG project are the same as in the existing ACG PSA i.e., bp (30.37%), SOCAR (25.0%), MOL (9.57%), INPEX (9.31%), Equinor (7.27%), ExxonMobil (6.79%), TPAO (5.73%), ITOCHU (3.65%), ONGC Videsh (2.31%). bp remains the operator of the ACG PSA.

NAG reservoirs are multiple geological formations beneath and above the currently producing oil reservoirs, and were not initially included in the existing ACG PSA. In 2022, ACG co-venturers and SOCAR agreed to drill a data well into the NAG reservoirs to collect gas pressure data. The data well was completed in 2023, and the interpretation of the acquired data confirmed the presence of natural gas resources within the expected pressure range.

In accordance with the addendum, SOCAR and ACG co-venturers are now planning the next steps for the development of NAG reservoirs. As part of this, an initial well is planned to be drilled to produce gas from two priority reservoirs with the first gas production is expected in 2025.



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ONGC

Oil and Natural Gas Corporation Ltd.

Press Release

ONGC Videsh acquired the Participating Interest (PI) in the ACG project in 2013. ONGC Videsh Ltd., a wholly owned subsidiary of ONGC, the flagship NOC of India, is engaged in overseas E&P operations and is India's largest international Oil and Gas E&P company having 32 Assets in 15 countries. ONGC Videsh's production of Oil and Oil Equivalent Gas (O+OEG) during FY'24 was 10.518 MMtoe and is currently producing about 200,000 barrels of O+OEG per day.

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