

Announcement

MVM Group acquires a stake in one of the world's largest offshore natural gas fields

MVM Energy Private Limited Liability Company (registered office: 1031 Budapest, Szentendrei út 207-209.; company registration number: 01-10-041828, hereinafter: MVM Ltd.) informs the market participants about the following:

On 5th June 2024, MVM Group entered into a sale and purchase agreement with the Azerbaijani state-owned entity Southern Gas Corridor CJSC (“**SGC**”) for the acquisition of a 5% stake in the Production Sharing Agreement for Shah Deniz offshore gas-condensate field in the territory of Azerbaijan and a 4% stake in Azerbaijan Gas Supply Company Limited (“**AGSC**”), the exclusive special-purpose vehicle established for the marketing and sale of natural gas produced from Shah Deniz gas-condensate field.

The Shah Deniz is one of the world’s largest natural gas-condensate fields and was discovered in 1999. The field is located on the deepwater shelf of the Caspian Sea, approximately 70 km southeast of Baku. The Shah Deniz project is set up as an unincorporated joint venture partnership operated by BP.

Shah Deniz facilities can produce up to 29 billion cubic meters of natural gas and roughly 60 million barrels of condensate annually. The field has significant hydrocarbon reserves and has been producing reliably and steadily for almost 20 years. A total of more than 218 billion cubic meters of natural gas and 371 million barrels of condensate have been produced from the field since inception.

The extracted natural gas is delivered from the offshore gas-condensate field via pipelines to Azerbaijani, Georgian, Turkish and European partners based on long-term gas sales and transportation agreements concluded with AGSC.

By acquiring a stake in the Shah Deniz gas field, MVM Group will cooperate with SGC and leading global energy companies such as BP (29.99%), Lukoil (19.99%), TPAO (19%) and NICO (10%) in the unincorporated joint venture.

The transaction is fully in line with the diversification efforts of the European Union, as well as with the national energy strategy and the growth strategy of MVM Group. The closing of the transaction, when MVM Group shall acquire ownership, is expected to take place in Q3’2024 after the satisfaction of customary conditions precedent.

Budapest, June 5, 2024

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