

Shah Deniz PSA Extended

By [The Moscow Times](#)

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DAVOS, Switzerland — Azerbaijan extended the production-sharing agreement behind the Shah Deniz gas project for five more years, a top official said Friday, signaling the improvement in relations with the operator, Britain's BP.

Azerbaijan's biggest gas field, and one of the largest in the world, began producing gas in 2006 and has a production capacity of 8 billion cubic meters a year from its first phase. Its second phase is expected to start production in 2018 and reach 16 bcm in annual output.

"We have agreed to extend the Shah Deniz PSA from 2031 to 2036, and the Shah Deniz partners will now proceed with Phase Two," said Elshad Nassirov, vice president of the Azeri state oil company SOCAR.

(Reuters)

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