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**Sent:** Tuesday, January 26, 2021 12:36 PM  
**To:** Tavlarides, Mark <[mtavlarides@bgrdc.com](mailto:mtavlarides@bgrdc.com)>  
**Subject:** Azerbaijan Update

Good afternoon,

I wanted to share the attached PDF on the Southern Gas Corridor, which begins in Azerbaijan and links seven countries before ending in Italy. The project provides Europe with reliable access to a new natural gas source and is instrumental in improving Europe's energy security and diversifying supplies.

Please let me know if you have any questions.

Best,  
Mark

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## **The Southern Gas Corridor and Perspectives of a Trans-Caspian Pipeline**

On December 31, 2020, the first commercial gas from Azerbaijan to the European market passed through the Trans-Adriatic Gas Pipeline (TAP), the last leg of the Southern Gas Corridor.<sup>1</sup>

The Southern Gas Corridor begins in Azerbaijan and links seven countries before ending in Italy. The project provides Europe with reliable access to a new natural gas source and is instrumental in improving Europe's energy security and diversifying supplies.

Direct access to Europe, the biggest global consumer of natural gas, is a signal of Azerbaijan's success in diversifying its export opportunities. This development follows decades of energy diplomacy over multiple U.S. administrations, and the corridor has received strong bipartisan support in the U.S. Congress, including from former Senator Dick Lugar and President Joe Biden during their leadership tenure of the Senate Foreign Relations Committee.<sup>2</sup>

Stretching across 2,200 miles (3,500 kilometer), the Southern Gas Corridor is one of the most complex gas value chains ever developed as it consists of three interconnected gas pipelines (South Caucasus Pipeline Expansion (SCPX), TANAP, and TAP) across continents. The project, which involved over a dozen major energy companies, including BP and Snam, was finished on time, and while costs were initially estimated at \$44.6 billion, the project was completed for \$33 billion.<sup>3</sup>

The second phase of market research will begin in Summer 2021 to expand TAP, increase its capacity to 20 billion cubic meters, and perhaps even enable it to increase supplies to the Balkans. In particular, Bulgaria will import 33 percent of its natural gas needs from the pipeline, increasing its own energy security.

Furthermore, on January 21, 2020, Azerbaijan and Turkmenistan agreed to settle a decades-long claim on the Dostlug field, a large oil and gas block in the Caspian Sea, with new plans for joint operations in the region. The Foreign Ministers of Azerbaijan and Turkmenistan were joined by the Presidents of the two countries through video conferencing as they signed a memorandum of understanding (MoU) in the Turkmen capital of Ashgabat. Dostlug, translated as "friendship" in both the Turkmen and Azerbaijani languages, is a new name the two sides gave to the Caspian deep-water block previously known as Kapaz in Turkmenistan and Serdar in Azerbaijan.<sup>4</sup> It is expected that the settlement of the issue will also help pave the way for a trans-Caspian pipeline linking Turkmenistan's gas fields to Europe through Azerbaijan.<sup>5</sup>

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<sup>1</sup><https://apnews.com/press-release/accesswire/business-europe-eastern-europe-western-europe-baku-e0eea53ad44ff48b659246dee4ab4924>; <https://www.atlanticcouncil.org/blogs/energysource/rapid-response-the-southern-gas-corridor-opens-today/>

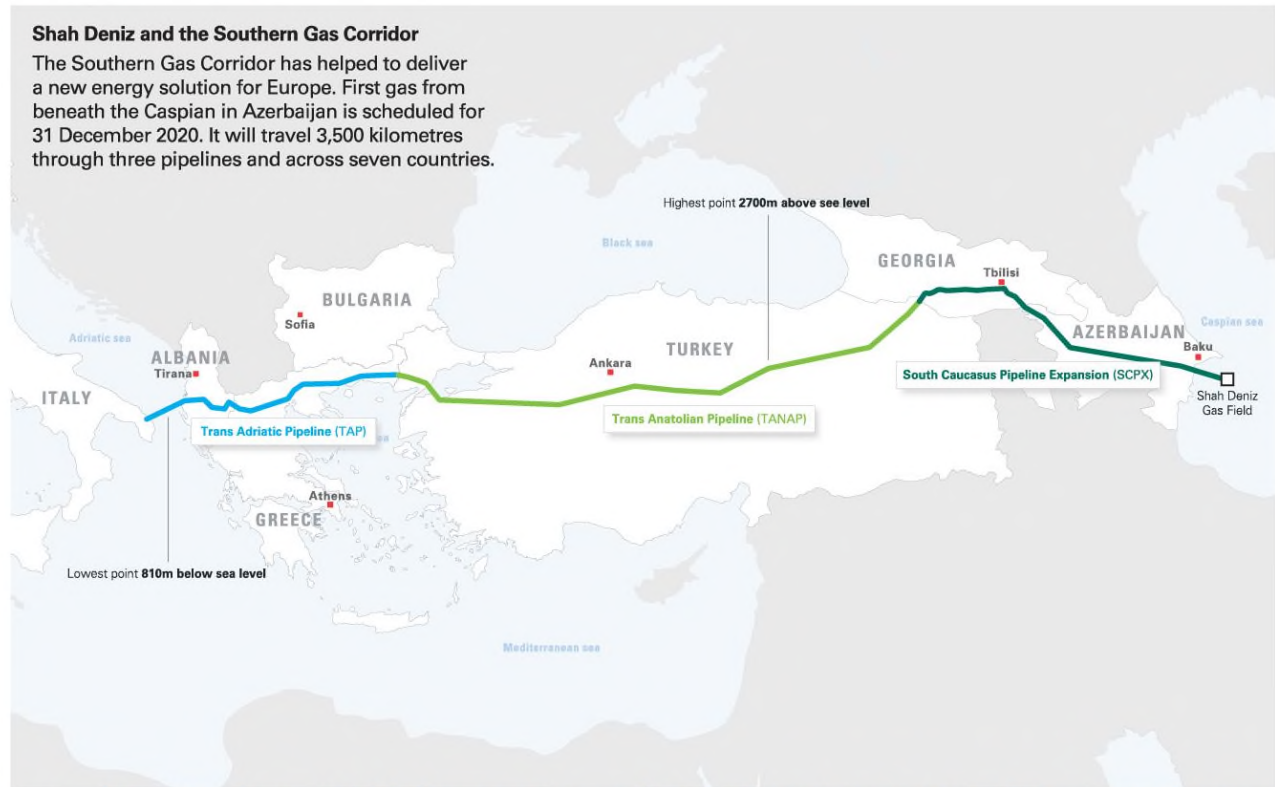
<sup>2</sup> <https://www.atlanticcouncil.org/blogs/energysource/rapid-response-the-southern-gas-corridor-opens-today/>

<sup>3</sup> <https://www.atlanticcouncil.org/blogs/energysource/rapid-response-the-southern-gas-corridor-opens-today/>

<sup>4</sup> <https://www.news.az/news/span-classred-highlightazerbaijan-turkmenistan-ink-mou-on-joint-development-of-dostlug-fieldspan>

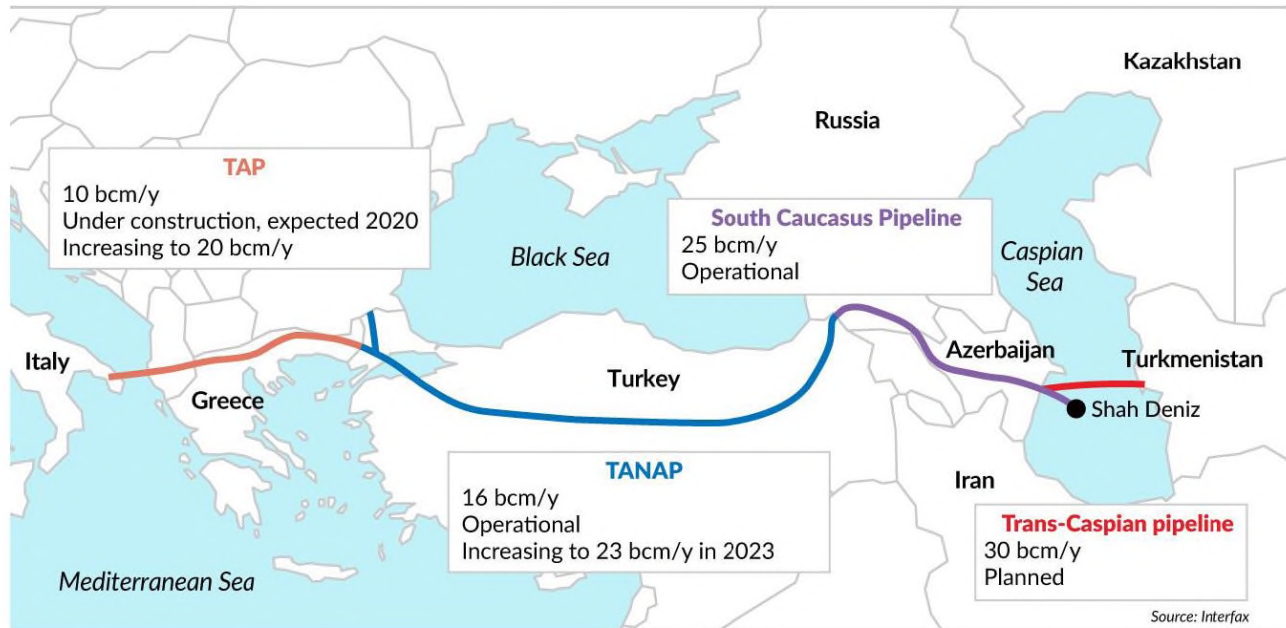
<sup>5</sup> <https://www.rferl.org/a/azerbaijan-turkmenistan-deal-caspian-energy-field-dostlug-/31061674.html>





Source: <https://www.bp.com/en/global/corporate/news-and-insights/reimagining-energy/southern-gas-corridor-mega-project-completes.html>

### Elements of the Southern Gas Corridor



www.GISreportsonline.com

Source: <https://www.gisreportsonline.com/gis-dossier-how-turkey-scored-big-in-the-gas-pipeline-game.energy,2706.html>