

Decree of the President of the Republic of Azerbaijan #15.

UNOFFICIAL TRANSLATION

Decree of the President of the Republic of Azerbaijan on measures related to the transportation of the Azerbaijani natural gas to world markets along the Southern Gas Corridor

The discovery of a major gas condensate field in the Shah Deniz prospective area for the first time in Azerbaijan's modern oil history and the signing of the Agreement on this field between the State Oil Company of the Azerbaijan Republic and the world's well-known oil companies in 1996 paved the way for attracting major foreign investment to the national economy.

The delivery of natural gas to markets in Georgia and Turkey via South Caucasus Gas Pipeline in 2006 following the commencement of the first stage in the operation of the "Shah Deniz" field opened a new page in the history of Azerbaijan's energy industry and turned our country into a gas exporter.

At present time, the realization of the second stage in the development of the "Shah Deniz" field envisages the establishment of an appropriate infrastructure which would enable the delivery of increasing gas volumes to Turkey and Europe.

The "Agreement between the Government of the Republic of Azerbaijan and the Government of Turkish Republic on the Trans-Anatolian natural gas pipeline system" was signed on 26 June 2012, and the legislatures of both countries have ratified this Agreement. Trans-Anatolian gas pipeline, possessing the capacity to deliver not only the gas produced within the "Shah Deniz" project to world markets, but also the natural gas produced from other Azerbaijani fields, has tremendous political and economic importance.

A coordinated implementation of the projects on the development of natural gas fields involving major investment and transportation of the produced gas through pipelines requires urgent organizational and other measures to be taken.

Based on paragraph 32 of Article 109 of the Constitution of the Republic of Azerbaijan and with the aim of safeguarding the interests of the Republic of Azerbaijan in the said projects, ensuring the provision of comprehensive assistance on the part of the Azerbaijani state and creating favourable conditions for the project participants, I hereby resolve as follows:

1. In order to ensure the operation of the Southern Gas Corridor on the transportation of Azerbaijani gas to world markets, a State Commission of the following composition shall be

set up to deal with the full-field development of the gas condensate field of “Shah Deniz”, expansion of South Caucasus Pipeline (SCP) and the implementation of Trans Anatolian Pipeline (TANAP) and Trans Adriatic Pipeline (TAP) projects.

Chairman of the Commission:

Yagub Eyyubov – First Deputy Prime Minister of the Republic of Azerbaijan

Members of the Commission:

Ali Asadov – Assistant to the President of the Republic of Azerbaijan, Deputy Head of the Presidential Administration of the Republic of Azerbaijan

Natig Aliyev – Minister of Energy of the Republic of Azerbaijan

Shahin Mustafayev – Minister of Economy and Industry of the Republic of Azerbaijan

Samir Sharifov – Minister of Finance of the Republic of Azerbaijan

Huseyngulu Bagirov – Minister of Ecology and Natural Resources of the Republic of Azerbaijan

Rovnaq Abdullayev – President of the State Oil Company of the Republic of Azerbaijan

Shahmar Movsumov – Executive Director of the State Oil Fund of the Republic of Azerbaijan.

2. To provide that the Commission established under Clause 1 of the present Decree shall:

2.1. Ensure coordination of the activities carried out with project participants and facilitate prompt solution of arising issues on the part of the bodies established by the Commission;

2.2. In cases established by the Commission, prepare proposals in respect of the activities carried out and submit them to the President of the Republic of Azerbaijan;

2.3. Inform the President of the Republic of Azerbaijan about the progress of work on a regular basis.

Ilham Aliyev

President of the Republic of Azerbaijan

Baku,

29 October 2013