

Decree of the President of the Republic of Azerbaijan #287.

UNOFFICIAL TRANSLATION

Decree of the President of the Republic of Azerbaijan on relevant measures related to the second stage of the operation of “Shah Deniz” gas-condensate field and establishment of the Southern Gas Corridor with regard to other projects

Based on paragraph 32 of Article 109 of the Constitution of the Republic of Azerbaijan and taking into account the proposal of the State Commission, established in accordance with Decree #15 of the President of the Republic of Azerbaijan dated 29 October 2013, on financing of the participation share and other financial obligations of the State Oil Company of Azerbaijan Republic related to the second stage of the operation of “Shah Deniz” gas-condensate field, Expansion of the South Caucasus Pipeline project, implementation of Trans-Anatolian Pipeline and Trans Adriatic Pipeline projects (hereinafter referred to as “Projects”) using the state funds, I hereby resolve as follows:

1. State Oil Company of Azerbaijan Republic shall:

1.1. Ensure effective management of the Projects by establishing Closed Joint Stock Company (hereinafter referred to as “Company”) with Charter Capital of 100 (one hundred) million USD. 51% of shares shall be owned by the State, whereas 49% shall be owned by SOCAR;

1.2. Ensure the transfer of the participation shares in the Projects to the Company.

2. State Oil Fund of Azerbaijan Republic shall:

2.1. Ensure the financing of the shares of the Company owned directly by the State;

2.2. Provide long-term investment of funds required for financing of the participation shares of the Company in Projects according to Clause 1.2 of this Decree on conditions of full repayment.

3. Ensure the representation in the Supervisory Board of the Company through the representatives appointed by the State Commission.

4. Ownership and management of the shares of the Company owned directly by the State are to be carried out by the Ministry of Economy and Industry of the Republic of Azerbaijan and all dividends from the said shares are to be transferred to the State Oil Fund of Azerbaijan

Republic.

5. Until the full and complete repayment of the funds invested into the Company under Clause 2.2 of this Decree the income of the Company is to be transferred to the State Oil Fund of Azerbaijan Republic.

6. The State Commission is to settle all issues arising out of this Decree.

Ilham Aliyev

President of the Republic of Azerbaijan

Baku,

25 February 2014