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Azerbaijani Oil Income in February 2015

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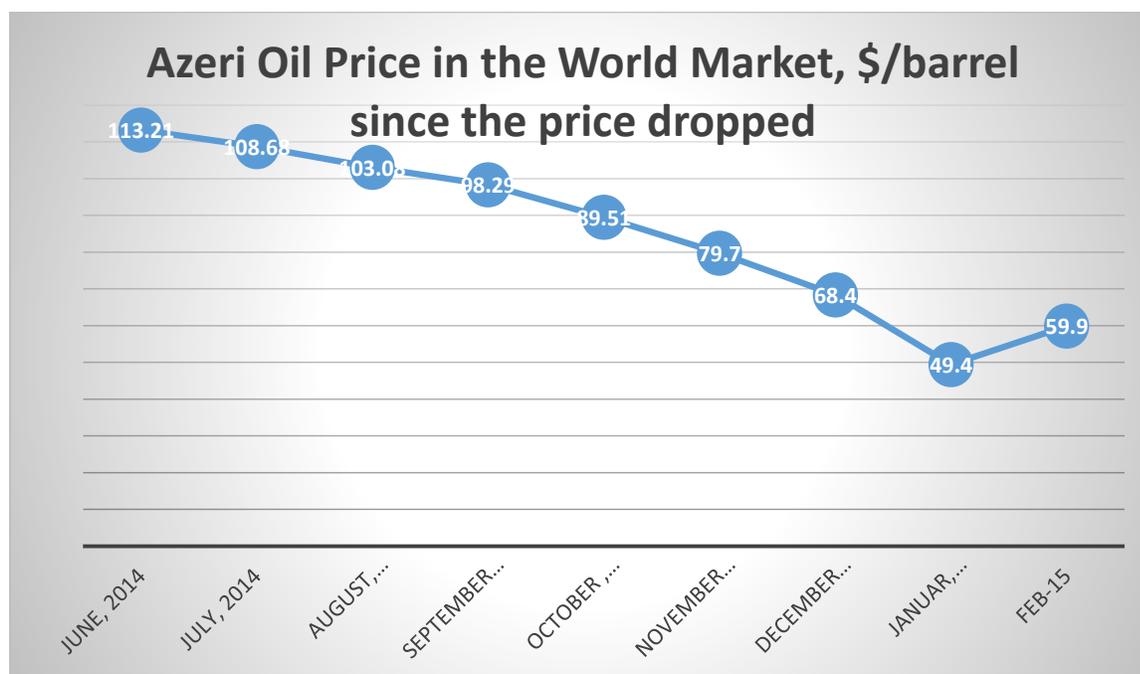
Baku, March 04, 2015

Azerbaijani Oil Income in February 2015

Azerbaijani oil export slight increased last month compared with January 2015 since the country exported 1,885 million tones crude oil to the world market in February 2015. According to the State Oil Company of Azerbaijan Republic (SOCAR), 84 thousand 807 tons of crude oil from the Novorossiysk Port, 254 thousand 179 tons of crude oil from the Supsa Port, and 1 million 630 thousand 350 tons of crude oil from the Ceyhan Port last month.

Azerbaijan exported 1 million 697 thousand 768 tones crude oil through Baku-Tbilisi-Ceyhan (BTC) pipeline in January 2015.

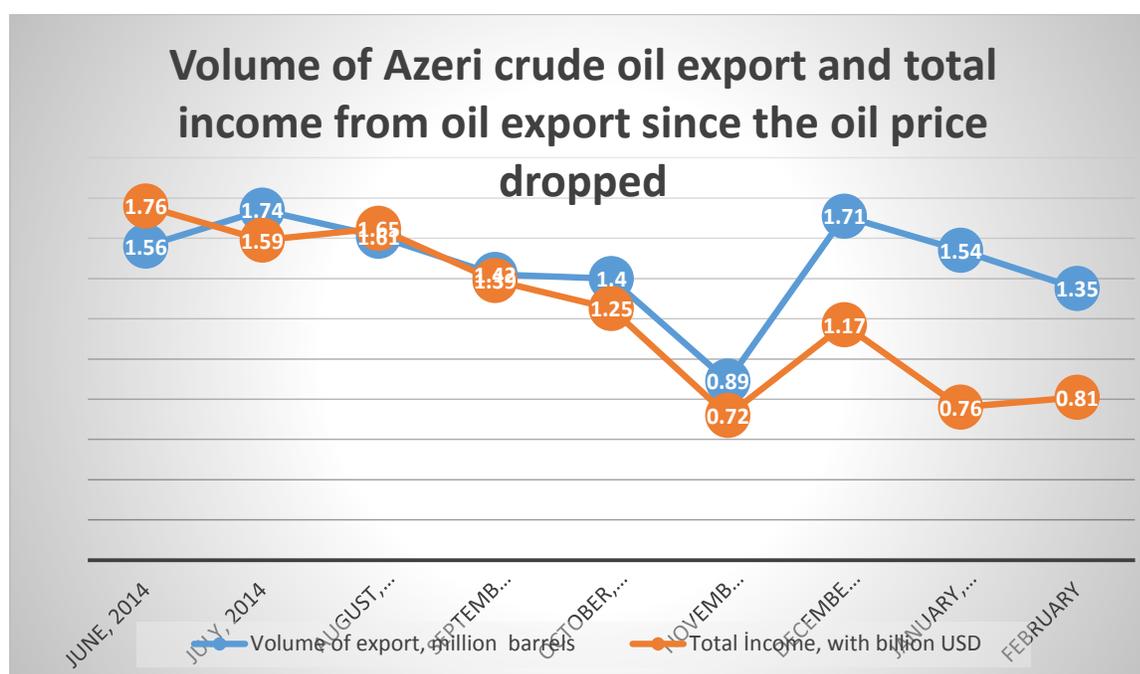
Average price for Azeri crude oil in February 2015 was \$ 59.99 US per barrel. Meanwhile, average price for Azerlight, Azerbaijani oil, was \$ 49,53 US per barrel in January 2015. It means Azeri crude oil price increased by 17.5 % in the world market last month compared with January 2015.



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Source: State Oil Company of Azerbaijan Republic, March 2015

The graph shows that Azeri oil price has declined by 1.88 times in the last 8 months. Azeri oil price has never had such a sharp decline since the first oil was pumped from Baku through BTC in 2005.



Source: State Oil Company of Azerbaijan Republic, March 2015

The graph shows that oil income in February 2015 increased by 6.5 % compared previous month although the export volume dropped by 12.4 % in the indicated period. In February 2015, Azerbaijan exported almost the volume of oil in June 2014. If the country received only \$ 810 million US in January 2015, but income was \$ 1.76 billion US in June 2014. It confirms that dropped oil price in the world market has dramatically decreased Azerbaijan's revenues: in spite

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of the fact that he same amount export in February 2015 with June 2014 but income was 2.17 time less last month.

Note that, gross income implies the currency entering to the country from sale of oil included with AIOC oil revenues. Profit after deducting costs from revenues defined the amount of oil in value. This is sharing in accordance with the production sharing funds between the Government of Azerbaijan and AIOC.

Official figures show that economic results of February 2015 in context of oil income are not positive. Azerbaijan exports even the same volume of oil, but revenue from exporting oil has sharply declined since the summer of 2014. Dropping of oil income makes economic diversification much more important for Azerbaijani economy.

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