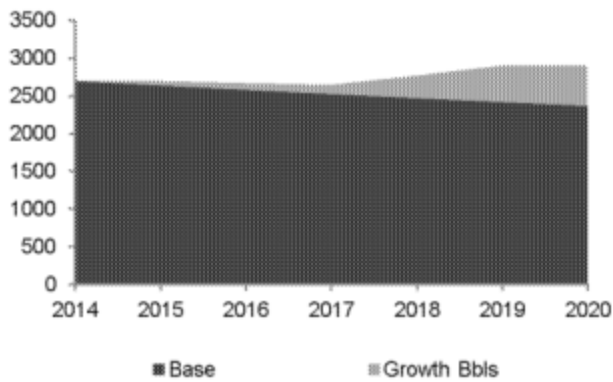




Caspian Sea, ex Russia

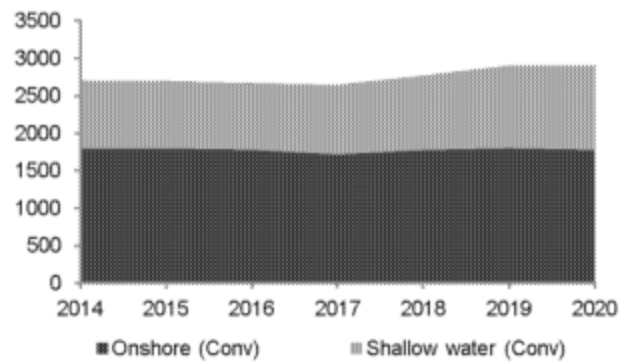
Production from the Caspian Sea is largely concentrated around a few mega projects in Kazakhstan and Azerbaijan (with smaller contributions from Turkmenistan and Uzbekistan). The recent reduction (25%) in the Kazakhstan oil export duty this past March was not much of a surprise as the government had announced its intention to reduce rates in response to the lower oil price environment earlier this year. With the drop in export duty rates, the government aims to sustain longer-term production by bridging the near-term incremental production (weighted toward recovery projects) with the restart of Kashagan Phase One and ultimately growth from the currently unsanctioned Tengiz and Kashagan Phase Two projects. In Azerbaijan, the focus will be on maintaining production at the ACG contract area (~75% of 2014 country production) through the recently on-stream through the Chirag Oil Project and a renewal of the underlying PSC that is set to expire in 2024.

Figure 83: Caspian Production Outlook, 2014-2020e (Mb/d)



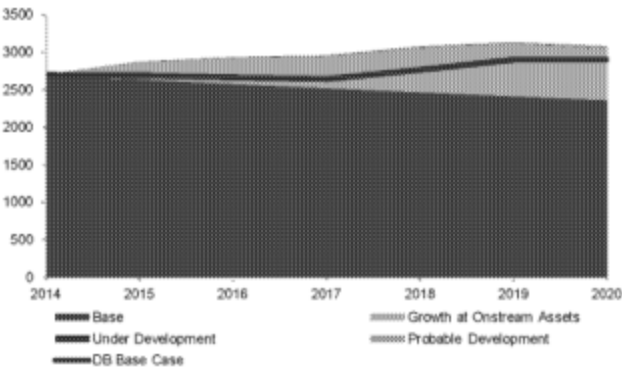
Source: Deutsche Bank, Wood Mackenzie, IEA

Figure 84: Production by type (area chart of onshore vs. shallow vs. deepwater (Mb/d)



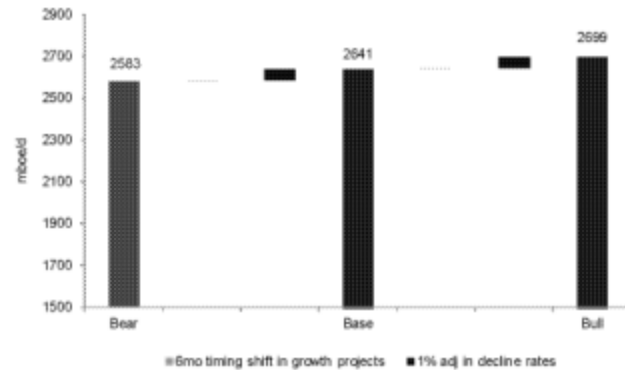
Source: Deutsche Bank, Wood Mackenzie, IEA

Figure 85: Crude volume growth outlook by project status (Mb/d)



Source: Deutsche Bank, Wood Mackenzie, IEA

Figure 86: 2017 Production Swing (Bear vs. Bull) of ~120 Mb/d



Source: Deutsche Bank, Wood Mackenzie, IEA