

BAHAR ENERGY OPERATING COMPANY LIMITED

Monthly Report

January 2022

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EXECUTIVE SUMMARY: *Reported by the President*

A summary of activities during January 2022 is below:

a) Health Safety and Environment:

- No incidents or spills were recorded in January. BEOC issued 55 Permits to Work in January.
- HSE department has been continuously taking preventive actions in the BEOC buildings and main roads against potential Corona Virus infection. Information about COVID-19 vaccination of our BEOCL employees was registered with the authorities and daily monitoring was carried out by the HSE department. In total, 526 employees received 1st dose, 523 employees received 2nd dose, 270 employees received 3rd dose, 5 employees received the 4th dose vaccine by the end of January.

b) Production:

- Oil production was 528 Bopd, down 49 Bopd from December 2021, due to ongoing well maintenance.
- Gas production was 15.4 MMcfd, which was down 0.3 MMcfd from December production due to natural field declines and a drop in flowing line pressure.
- BEOC also utilized 1.7 MMcfd for fuel gas in Gum Deniz & Bahar operations. The increased gas utilization resulted from delivering gas to sales at higher pressures, which required additional compression fuel.
- Total production of 3,306 BOE/d in January was 41 percent below the Budget forecast for the month. This shortfall is mainly due to the longer period of the Bahar workovers to reach the deeper target zones. Deep Bahar gas completions were budgeted to come online in Q4 2021 and are now expected to be on production in Q2 2022.

c) Workovers:

- In Gum Deniz, workovers in the GD716, GD479, GD203, GD474, and GD058 continue.
- In Bahar, well BH 165 and BH74 continued fishing and recompletion activities. Good progress continues in the milling and fishing operations.
- BH 206 was successfully put into production in Horizon VI and initially produced 2.47 MMcfd and 157 b/d of liquids. Production dropped to as low as 1.66 MMcfd, but it has stabilized at 2.37 MMcfd and liquids continue to decline to the current level of 94 b/d.

d) Construction:

- Offshore construction operations continued GZU 2, PLT 65, PLT 9/129, PLT 70/106, and PLT 20 in the Bahar field. Work continues with SOCAR Construction Trust to install the production line between the South Gum Deniz platforms 409 and 412 in 2022 when the weather is calmer.

e) Subsurface

- The work continues building geo and simulation models for main producing reservoirs in both GD and Bahar fields. Work on a revised Plan of Development was completed and it has been reviewed with SOCAR Upstream.

f) General Management

- The Bahar S/C meeting will be scheduled in 2022 to review and approve the Proposed 2022 WP&B. BEOC continues to monitor the Corona Virus situation cautiously, and it is complying with all SOCAR and Ministry directives to ensure a safe workplace for all our employees and contractors.

I- HEALTH, SAFETY & ENVIRONMENT: Reported by Aslan Bakhishov, Manager of HSE Department

a) Summary: HSE:

- No any incident was recorded in January.
- TRIR is 0.00 by the end of January.

b) Monthly Safety statistics (Lagging indicators) for January 2022

Month	LTI	Man Hours	TRIR	Incidents (FA,LTI,NM, PD,RT)	PTW
January	0	89632	0	0	55
Total	0	89632	0	0	55

Legend:

- LTI: Lost Time Incident
- Man Hours: Total number of man hours worked
- TRIR: Total Recordable Incident Rate(Number of Injuries and Occupational Illness X 200,000 / Employee hours worked)
- Near Miss: Near Miss Incidents number
- PTW: Permit to work

c) High Level HSE Comments: No any incident was recorded during this month.

d) HSE Activity

- HEALTH:

- Daily monitoring of COVID-19 vaccination status of BEOCL employees was carried out by HSE department. 526 employees got 1st dose, 523 employees got 2nd dose, 270 employees got 3th dose, 5 employees got 4th dose vaccine by the end of January.
- HSE department has been taking preventive disinfecting actions at the BEOC work places against potential Corona Virus infection.
- HSE department performed weekly disinfecting the company rented buses against potential Corona Virus infection.
- Installed 25 special dispensers for hand sanitizer regularly control and fulfil by HSE representatives at the BEOCL premises.
- 53 BEOCL employees applied to First Aid Room with non-work related diseases during the reported period. All of them were rendered corresponding examination and treatment.

- SAFETY:

- Safety inspections of BEOCL sites and work performance were carried out.
- General HSE induction was conducted for 52 newcomers/ visitors.
- In accordance with Local regulation, the Health and Safety knowledge evaluation of 2 BEOCL technical and engineering employees was carried out.
- HSE Audit of BEOCL Permits to Work and associated certificates, verification, risk assessments and other related documentation were monitored.
- Firefighting equipment monthly inspections were provided and reported. Firefighting water pump was tested at the Oil Process and Transportation field.

- ENVIRONMENT

- Environmental Statistics for Month/Annual

Month	Spills Number	Spill Volume	Comments
January	0	0	0
Total	0	0	0

- Waste segregation process was supervised by HSE department.
- BEOCL sewage water (48 m3) was disposed through Hovsan Sewage treatment plant.

e) Training and other activities:

- As a part of HSE assurance plan 2022 Safety Stand down Meetings were conducted at the BEOCL worksites in the following themes in December:

“COVID-19 - Control and Prevention” for 80 employees.

Total participants were 80 workers.

II- PRODUCTION / OPERATIONS: Reported by Alamdar Useynov

a) Production year to date is shown in the table below:

OIL and GAS Production 2022 Budget and Actual																	
Jan-22	Oil Shipped to sales Point Actual ton/day	One ton equal to barrel	Oil Shipped to sales Point Actual BOE	Oil Production Actual ton/day	Actual BOE for Oil	Oil Production Budget ton/day	Budget BOE for Oil (equal to barrel 7,4)	Gas Production Actual m3/day	Gas Production Actual scf/day	Gas Delivery m3/day	Gas Delivery scf/day	Gas Delivery BOE	Gas Production Budget m3/day	Gas Production Budget scf/day	Budget BOE for Gas	Total Actual BOE	Total Budget BOE
January	71	7.47	528	70	521	93	685	460,294	16,255,283	437,234	15,440,919	2,778	780,000	27,545,700	4,955	3,306	5,641
February																	
March																	
Q1 Average																	
April																	
May																	
June																	
Q2 Average																	
JULY																	
AUGUST																	
SEPTEMBER																	
Q3 Average																	
OCTOBER																	
NOVEMBER																	
DECEMBER																	
Q4 Average																	

b) Production – Gum Deniz

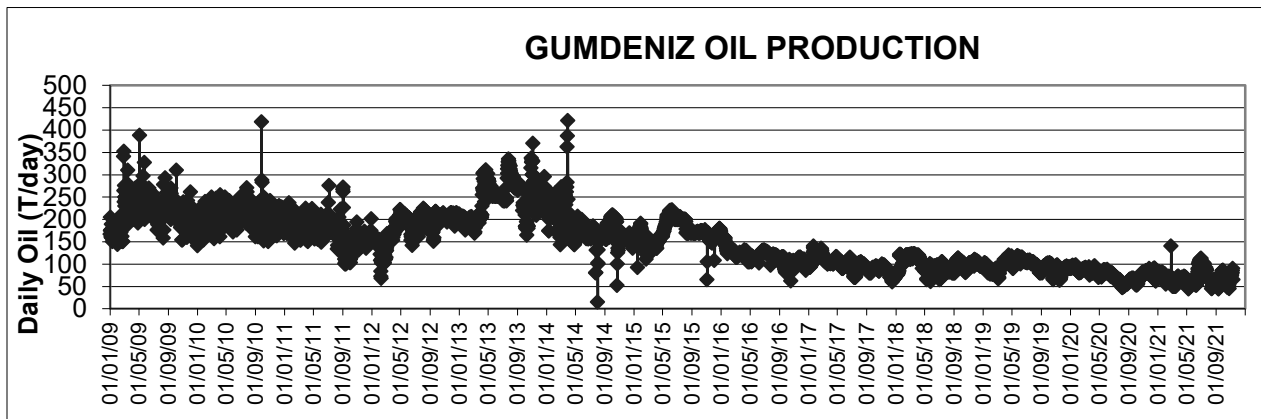
- Production rate of the Gum Deniz field averaged 70 tons/day. Təhvil 71 tons/day .
- During the reporting period, we did not deliver associated gas, and the volume of gas required for oil refining and domestic demand for compressors was 1,488,000 m3 (48,000 x 31).

The chart below shows the reasons for oil production decrease

Oil Production Rate Differences Between December 2021 and January 2022																																		
Date / Well#	006	009	012	020	038	372	412	413	414	417	418	430	438	444	445	447	456	461	465	466	467	468	470	471	475	477	478	479	504	601	715	716	774	Total, m3
December 2021	0	2	0	0	9	20	0	0	5	0	0	8	0	0	0	4	5	0	0	0	4	1	2	3	6	4	5	14	1	0	7	0	0	100
January 2022	1	2	0	0	6	23	0	0	4	0	0	7	0	0	0	3	6	0	0	0	2	3	2	3	5	4	6	5	1	0	7	0	0	91
Difference																											-9							

- GD-716 WO operations have started, in progress.
- GD-479 Well had been given to WO due to reduction in production. WO operations are in progress.
- GD-203 WO operations are in progress.
- GD-474 WO operations are in progress.
- GD-058 WO operations are in progress.

c) Year to Date Production: Gum Deniz



d) Production – Bahar

- Bahar daily gas delivery realized as an average of 437 234 m3/day
- Gas delivery was 15.441 MMcfd.

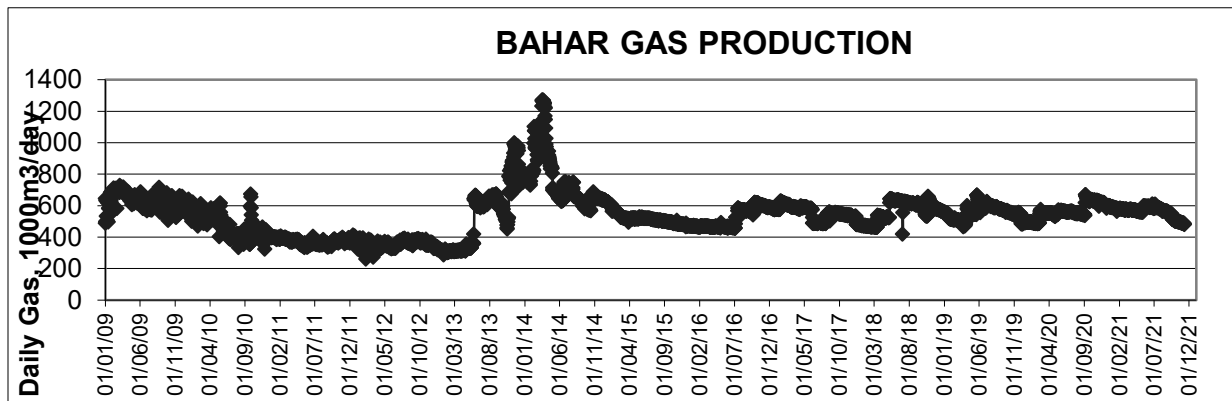
The chart below shows the reasons for gas delivery decrease.

Gas Production Rate Differences Between December 2021 and January 2022													
Date / Well#	83	140	144	167	169	170	171	175	179	182	205	241	Total, x1000 m3
December 2021	31	41	0	17	59	108	30	76	73	1	12	41	487.3
January 2022	22	39	0	23	79	101	1	68	62	1	17	40	453.0
Difference													-34.3

- WO operations are underway in well No165 at PLT168 “Bahar” field.
- WO operations were completed in Well No206 at PLT20. Well was POP succesfully.
- WO operations are underway in Well No74 at PLT 70/106 “Bahar” field.
- Repairs are being carried out periodically by construction crews at PLT 9 / 129, PLT65, PLT20, PLT48 and offshore oil&gas collecting unit No2 in “Bahar” field.

During the reporting period, crane vessels such as "Athlete", "Shirvan", "Shklinski" did not work on order.

1. Year to Date Production: Bahar



2. Additional Production Works:

- The “**Closed System**” project, which is designed to prevent the environmental pollution of produced water discharged from process tanks at oil processing&delivery field, is being continued by the Construction Department.
- Relocation of the gas / liquid metering junction is underway at PLT470 belonging to the “Gum-Deniz” field.
- In connection with the liquidation of the Gas Distributing Unit in the "Gum-Deniz" field causeway PLT450, 3pct 2.5"gas lift lines were laid from causeway PLT9 to causeway PLT450, the coordination work will continue by the Construction Department.
- A leak was detected on the 12” underwater production line in "Bahar" field between offshore oil&gas collecting unit No2 and gas sep&trans field No2 and the leak was eliminated with the help of diving crews.
- Leaks were detected in the "Bahar" field’s offshore oil&gas collecting unit No1 12" connecting line and eliminated with the help of the construction team.
- The construction of a 35-atm gas pipeline for the delivery of BEOCL's natural gas to the Gas Export Department through SOCAR's 28 May OGPD is underway.
- The construction of gas seper&trans field No2 Separator Park, designed to separate BEOCL's natural gas and deliver it to the Gas Export Department, is underway.

January 2022	
Name of the operation	Completed Operations
Hot Light Oil and Diesel Operation in wells	27(6 wells)
Fluid level survey	84(11 wells)
Sulfanol treatment in wells	
Salinity measurement in wells	56(25 wells)
Soap stick application in gas wells	-

III – WORKOVERS: Reported by: Nurlan Gashamli

Bahar WO's

- BHR 165 – Continue to fishing operation. Delivered TOF down to 3944.16m.
- BHR 206 – Successfully completed the well to Hor. VI. By “tiny set completion” perforated the well at 3666 - 3668m interval by TCP BHA. The well Flowing gas.
- GD 074 – Pulled and fished out 24 joints -226m of 2-7/8” tubing with pin end. Made new TOF at 3783m within 4-1/2” Liner Casing Continue to fishing operation.

Gum Deniz WO's.

- GD 058 – Fished out LIH 120mm Junk Mill. Cleaned the well bore down to TD at 3508m. Will log and continue completion operation. Ongoing...
- GD 479 – Pulled GLS PS. Checked TD at 2448m, sand plug. Have cleaned the well bore from sand by San Bailer in two runs down to 2494m. RIH w/6 each GLV PS, landed at 2100m. Put back well on production.
- GD 716 – Cleaned well bore down to 2639m. Sand in return. Circulated well to clean. Raised string to 2588m. Checked infectivity by total pumped 2.5m³ at 65atm. Have wait 6 hours, lowered string back to check possible inflow, observed 19m sand inflow. Cleaned and circulated sand out. Will continue with cementing operation.

South Gum Deniz WO's.

- GD 413 – Completed POOH and LD ESP Assy. RIH w/200m of kill string. Secured the well. Moving to G430. Rig skidded to GD 430...
- GD 430 – Rig skidded from GD 413. Pulled ESP Assy. No markable obstacles observed. Only ESP cable had worn marks from 1150m to 1790m. Checked and confirmed TD at 3742m via Wireline. 3m of bottom perf is plugged by sand. Decision been made to ream 6-5/8” casing ESP depth spot from saline and clean the well bore down to TD at 3786m. Ongoing...

Out of Field report.

- Continue coordination of Side Track Project with SOCAR Drilling Trust. Made recommendation for develop stimulation drilling program for G601 ST. Appointed meeting for move forward on financial agreement and contract placement. Arranged site visit to location regarding Drilling Rig and equipment spotting as per sketch requirements. Made necessary order for prep works.
- Continue coordinating orders regarding equipment's:
 - New ADPM truck (steam truck) – 1 set.
 - Power Swivel Unit – 3 sets.
 - Skid base Triplex Slurry Pump – 2 sets.
- Coordinating with ADO-G regarding redness 28m Derrick for B191 well at PL065. Planning to have ready to move by mid. of January
- Coordinating with IDS Company regarding redness 120tonner Drawwork for B191 well at PL065. Planning to have ready to move by mid. of January
- Implementing and executing repair and maintenances program for Heavy Equipment assets to support operation without delays. Coordinating purchase and delivery with Procurement team.

a) **Monthly / Annual Workover Statistics**

Month	Workover & Well Service Jobs completed	Number WO & WS Success
January	8	2
Total	8	2

b) **Summary of Workover Activity**

Workover Operations					
Well	Operation	AFE #	Actual Cost	AFE Amount	Difference
BHR 165	Fishing / Recompletion	40-2-165-01-21	259M \$	308M \$	49M \$
BHR 206	Fishing / Recompletion	40-2-206-01-21	227M \$	327M \$	100M \$
GD 074	Fishing / Recompletion	40-2-074-01-21	108M \$	365M \$	257M \$
GD 058	Fishing / Recompletion	40-1-058-01-21	149M \$	295M \$	145M \$

c) **Summary of Well Service Activity**

Well Services		
Well	Operation	Actual Cost
GD 716	Well service	93.5M \$
GD 413	ESP Replace	9.5M \$
GD 479	Well service	20.2M \$
GD 430	ESP Replace	11M \$

d) Well operations heavy equipment report

Well operations heavy equipment field 2022 January					
Work Description	Number	Work hours	Engine Hours	Repair Hours	Mileage km
TRF	21				
Pulling units and Taw tractors used at Workover Workshop	14	945.5	945.5	33	
Stationary type pump unit (V-12)	1				
Stationary type pump unit (V-16)	1	22	22	6	
QBQ-120	2	737.5	737.5	18	
QBQ-160	1	402	402	9	
Mobile (two-part) ADPM unit	1	10	10	3.5	
Cementing Pump Trucks serving BEOC Departments	12	3288	418	183	37
Other trucks of Transportation field	1	112	19.5	18	37
Fire trucks of Transportation field	4				
Transportation field - Added repairs	2			11	
Number of trucks put into operation after long-term repairs					

IV – CONSTRUCTION: Reported by Alamdar Useynov

Construction progress report for January 2022

#	Field/Location	Work Description	Status
	Gum-Deniz		
1	Gum-Deniz, Causeways	In order to re-commission well No. 005, located on location 470 in the island area, which has been out of operation for a long time, temporary put on hold re-installation and connection of "GSU", "Fluid Measurement" junction and "Household gas" separator located in the area preparation of details in the workshop for laying lines.	in progress
2	CS, OGSU-2	Preparation and welding of details of BEOCL's natural gas, re-installed metering junction and input and output lines of 2 new separators for laying of 35 mm gas pipeline from Oil and Gas Extraction Company named after 28 May to Gas Export Department.	in progress
3	Gum-Deniz, Causeways PLT9	Installation of a platform due to spot change of the unit PQ13 located in between the crossroad and PLT9. Carried out the installation of 2 panels 10x10. Completed welding of leaned 10" pipes for reinforcement of the panels.	in progress
4	CS, OGSU-2	Based on the project, BEOCL Representation in the Republic of Azerbaijan completed the installation of 64 piles from 12" pipes in order to improve the quality of sales gas from the "BAHAR" field in Oil and Gas Sep. Field No. 2 in order to reconstruct the separator system. Installation of the armature carcass for laying the 2nd concrete layer. Installation of 232 m ³ concrete admixture has been completed. Making the bottom of the separators in the workshop from 500 mm double-beams.	in progress
5	Gum-Deniz, Causeways PLT 209	In order to install 10x10 and 8x10 metal panels at causeway PLT209, the installation and welding of frames and partitions using 60 double-beams is underway. Currently welding and painting of 18; 19; and 20th panels were Completed. Preparations for transportation.	completed
6	Gum-Deniz, Causeways, in between PLT235-64	"Gum-Daniz" field, repair works to prepare wells 351 and 352 located in Causeway PLT2 for repair. Work is underway to install a rack around the well to accumulate the platform and pipes.	in progress
		Bahar field	

7	Bahar, GZU-2	The project continues to install 12" fluid and gas lines and supports along the existing bridge direction. Expansion of the existing comb separator area in the south-western part of the working area. Reinforcement of lines from wells in the southern part of the existing work site and installation of a 6x13m size service area. The installation of comb separators and pipe-fitting joints, manufactured and delivered from the workshop, has been completed on the newly installed panels. Connecting new lines with existing lines and laying a new technical water line.	in progress
8	Bahar, PLT-65	In order to prepare for the WO of wells 187, 189, 190 and 191 located in the "Bahar" field, PLT 65, and the repair work to be carried out. In the western part of the platform, 8x10x40m metal plates were installed in the area intended as living block. In the eastern part of the working area, 1 Boat Landing was installed and fastened and connected to the floor. Currently, the installation of the under rotor of well 189 and the area around the well is underway.	in progress
9	Bahar, PLT-9/129	Installation of 2 metal plates in PLT9/129, initial supply of materials and installation of a footing area for hanging Boat Landing in the southern part. Temporary transfer of workers to the offshore platform by crane-vessel.	in progress
10	QD, DSP-48	Preparation of well No145 for WO in PLT48. Installation of a sliding section on the north and south sides of the metal plate to slide the derrick over wells 144 and 145 has been completed. Assembling of the under rotor supports of well No146 and the area around the well.	in progress
11	Bahar, PLT-70/106	Moving the equipment and living quarters from PLT BH175 to BH160/70. Repair and installation works on the well#74 at PLT BH106/706 for preparing well to WO operations were completed. Well and existing production line connections and manifold lines are expected to be installed.	in progress

Additional Works

1	In the hangar No. 1 of the central warehouse area, the installation of shelves for the collection of goods and materials has commenced, continues.	in progress
2	The construction of a hangar for storing chemicals near the hangars belonging to the central warehouse on the island has been completed, as well as the installation of 2.5-pipe trusses and inter-farm wooden shafts. Preliminary preparations for the installation of corrugated sheet metal.	in progress
3	Welding and setting up works in the Fab. shop have been started on the cable spooler used during WO operations (POOH & RIH) at ESP wells of Gum-Deniz field."	in progress

4	Linking works are carrying out in between old gas lift pipeline along the dam road and the entrance and existing water line close area to the "Halikarnas" restaurant as well as installation of vertical pipeline supports. Installation of new supports on existing water line, cutting off the old lines on-going.	in progress
5	Installation of new oil traps for oil separation and construction of pump station at Oil Prep. & Transportation area.	in progress
6	Installation and connection works completed in between old gas lift pipeline along the dam road and the entrance and existing water line close area to the "Halikarnas" restaurant as well as installation of vertical pipeline supports. Work is on-going on cutting of old unused lines and installation of additional pipe supports on the existing water line on-going	in progress
7	Installation and coordination of 6 10" and 2 12" new supports on the causeway between crossroads and crossroads-causeway PLT9, for the repair of emergency supports have been completed. In addition, 2 new pile installation works .Next, 10" supports were installed and coordinated in the newly designated emergency section between PLT2 from the base bend.	completed
8	The installation and coordination of the oil tank for the hot oil (diesel) treatment operations of well No456, located in the "Gum-Deniz" field causeway PLT208a oil have been completed.	completed
9	Carrying out repair work of the bottom of the technological tank No.3 located in the park of 2000m3 tanks of oil processing delivery field. Some parts of the floor have been completed with metal sheets and painting has been carried out. The work has been completed.	completed
10	Connecting 2,5"and 4" production lines of well No58 with the existing system located at PLT465.	in progress
11	Inv No2 located in the area of 2000m3 oil tanks of Oil comp prep & delivery field. Repair work of demulsification furnace number 2291. 65% of work was done.	in progress
12	Carrying out preparatory work for WO and POP of well No58 in "Gum-Deniz" field.	in progress
13	In order to use the technological tank No. 4 as a reservoir water tank at 5,000 unit of oil processing & delivery field, the connection of the inlet and outlet lines with the reservoir water pumps has been completed. Construction of a 10 "pipeline to 188 m has been completed. Painting work of the installed line has been completed.	completed

V- SUBSURFACE: *Reported by Alamdar Useynov*

Workover Programs prepared

- GD-058 Pulling out 400m from tubing string (1st). Pulling out 200m from tubing string (2nd). Pulling out 150m from tubing string (3rd).
- GD-474 Check feedrate at 1987-1985m intervals, if positive perform remedial cement squeeze. Drill the BP (2025m) and clean to 2040m. Check feedrate at 2040-2032m interval, if positive perform remedial cement squeeze. Drill cement plug at 2040m and BP (2042m) and check feedrate at 2080-2085m intervals, if positive perform remedial cement squeeze. Drill cement plug at 2187m and BP (2190m) and check feedrate at 2209-2236m intervals. If positive perform remedial cement squeeze into the intervals. Drill cement plug at 2245m and POOH fishing strings 2 7/8" -165m (Fishing top-2268m). Check feedrate at 2710-2723m

interval. If positive perform remedial cement squeeze into the intervals and clean to 2727m. RIH and perform , QR/CCL/ QUAD neutron (2727-2200m) logging. Further operations will be planned according to GR/QUAD results.

- GD-479 Add 100m to the tubing string.
- GD-716 Add 300m to the tubing string.

Wells completed

- B-074 Fishing/Recompletion. Ongoing. Expected free gas rate is 50 Mm3/d from B_VII f/u. Actual cost 108 M \$.
- B-165 Fishing/Recompletion. Ongoing. Expected free gas rate is 39 Mm3/d B_X f/u. Actual cost 259 M \$.
- B-206 Fishing/Recompletion. Well produces 70 Mm3/d free gas, 2m3/d condensate and 2m3/d water from B_X f/u. Actual cost 227 M \$.
- GD-058 Fishing/Recompletion. Ongoing. Expected oil rate is 4 ton/d PK horizon. Actual cost 149 M \$.
- GD-716 Well Service. Ongoing. Actual cost 93.5 M \$.
- GD-413 ESP Replace. Postponed. Actual cost 9.5 M \$.
- GD-479 Well Service. Ongoing. Actual cost 20.2 M \$.

Note* Actual cost is taken from WO monthly reports and reported amount is for only current month.

Cased-hole logging:

B-206 GR/NGL/NNK
B-206 GR/CCL (2 times)
GD-479 GR/CCL
GD-430 GR/CCL

Interpreted logs from GGI:

B-206 GR/NGL/NNK

1. Bahar SP oil candidates identified and presentation prepared.

Reservoir Engineering

- Discussion about TAM packer application in well B-177 in progress.
- Deploy deep operated ESPs at Bahar Gas Field on wells with 5" casing – Working with Schlumberger, Baker and ChampionsX companies on delivery/design of deep operated ESPs.
- Working with SOCAR's Oil & Gas Science and Research Institute to study the feasibility of FL from Paraffin – Depressant NDP1, Salts/Scales – Inhibitor NDI1.
- GumDeniz PK and KaS horizon simulation model history match in progress.
- WO Success file updated.
- Monthly Reports for SOCAR (Production, Delivery, Used, Production and Delivery Indicators, Well Fund).
- Updated Bahar and GD OFGM database.
- Updated Daily and monthly Production follow-up database.

<u>January 2022 Planned and Fact Production Comparison</u>			
	Plan	Fact	Difference
Oil and Condensate, tons	2871.390	2164.533	-25%
Free Gas, Mm3	22119.773	14269.123	-35%
Solution Gas, Mm3	2225.295	1042.789	-53%

Seismic:

1. GD-601 side track program: seismic review to identify drilling location.

VI- FINANCE: Reported by Rasul Gafarov

On a Monthly Base:

Completed Dec-21 accounting cycle in accordance with the monthly schedule.
According to JOA issued Dec-21 Monthly reports to Contractor Parties.
According to JOA and Jan – Feb-22 Cash Calls distributed to Contractor Parties.
Issued Dec-21 Additional Monthly reports to Contractor Parties.
Issued and distributed Dec-21 Monthly departmental cost reports to Budget Holders / Department Managers.
Issued and submitted following Dec-21 monthly as well as quarterly reports to government bodies: VAT, consolidated tax report on employment and statistical reports;
Prepared and submitted monthly Dec-21 Financial Highlights report to the Management.

On an Annual Base:

Started preparation for 2021 annual Audit of below shown reports and actions:

- BEOC Cost Recovery Report;
- BEL Profit Tax Return;
- GPI IFRS report

VII- LEGAL PROCESS AND HUMAN RESOURCES: Reported by Ahmadiyya Musayev

Legal, Compliance, Document Control & Translation issues

- Contractual drafting and review work continued working on various contractual documents;
- Cooperation was maintained with SOCAR Upstream;
- Restructuring documents were prepared for Finance, Ops, G&G, Legal and HR departments due to changes in the organization;
- Representative Office was represented on civil case for payment of replacement time salary;
- A letter was sent to Mediation Council of Azerbaijan requesting to launch a disciplinary proceeding against a mediator (who was reprimanded as a result)
- Representative Office was represented on civil case for reinstatement to work and payment of salary for forced out of work time;

- Settlement Agreement was reached on both above cases after series of negotiations;
- A claim letter was sent to a vendor to fulfill contractual duties on return of payments owed under the contract, and a subsequent letter was sent to the Mediation Council of Azerbaijan, a follow-up meeting was held to discuss the vendor's offers of settlement and subsequent options were shared internally;
- Legal support was provided for the redundancy project and employee and authorities' letters regarding redundancy were answered as well;
- Liaison activities with Surakhany Mayor's office and other government authorities, including security forces continued;
- Participation was ensured in Azerbaijan Ethics and Compliance Network sessions and activities;
- Necessary internal orders were drafted/reviewed and commented;
- Rep Office's different structural units were provided with other necessary legal support, including in relation to certain issues arising from PSA and legislation; JAFZA renewals and other activities were carried on;
- Document control function covering both internal and external correspondence, and maintenance of archive was performed;
- Verbal and written translations support was ensured.

a) HR issues

- Use of the outstanding vacations was monitored.
- Employment Agreements of 24 employees were terminated.
- Employment Agreements were signed with 7 new employees.
- To be expired contracts were followed up and management was updated.
- Overall 517 HR related operations have been made through this month.
- Organizational structures have been updated as per last changes.
- 64 vacations and 22 bulletins have been written and entered to the HRB system.
- Review and revisions of current job descriptions were ongoing.
- Review of employee personal files continued.
- Meetings were held with HRB system provider to discuss issues related with software.

VIII– ADMINISTRATION & SECURITY: Reported by Ahmadiyya Musayev

a) Administrative issues

- In accordance with the order of the President of the Company John Harkins dated December 08, 2021, from December 18, 2021, started the necessary repair works to improve (put in order) premises 201, the Bathroom, the Reception and the Small Kitchen. Repair works finished on January 1, 2022 with the assistance of the Department of Construction;
- Furniture set for manager moved from the room #110 to the room 225 on January 06, 2022;
- The circulating motor for the boiler house was purchased and installed, and after welding the motor was connected to the electric current;
- Due to the situation during the month, the functional duties of the Civil Defense Management Board of the Representative Office were clarified; an action plan was prepared if necessary and delivered to the relevant persons.
- Installed new curtains to the office rooms # 117,118,119,120,121 and 123 on 2022, January 14.
- The stationery MR prepared for the 1st quarter of 2022 will be placed on March 2022; the stationery available in the Warehouse is used sparingly.

- Conference hall lamps were replaced with new ones;
- On January 17, 2022 organized the meeting of the New Azerbaijan Party's Surakhani district organization Hovsan settlement Gum Island organization; were put golden flowers to the Martyrs and founder of the Modern Azerbaijan Republic Heydar Aliyev; were elected Chairman and deputy chairman of the party organization.
- Inventory started and finished;
- A room was allocated in the warehouse for security, items were moved, the light line was restored;
- 2 ea refrigerators were transported from PAWorkshop to the warehouse by delivery-delivery act;
- The indicators of Azersu water meters were reported;
- MRs/SRs were prepared;
- Monthly reports on turnover goods and materials, low value goods and write off acts as well as low value goods use acts were prepared;
- Damaged equipment was replaced with new ones in sanitary facilities;
- It is expected to purchase an automatic valve (fujer) ordered for the boiler house;
- It is expected to purchase goods and materials required for the repair of household appliances;
- On the monitors are showing oil and gas production and the success of the country and the company;
- Orders for curtains, door panels and protective nets have been suspended;
- Technical inspections in the rooms and offices belonging to the Representative Office were carried out, inspection of the rooms and offices, supervising the cleanliness and tidiness of the offices, rooms and around the main office was performed;
- Monthly timesheets for the Administrative contractors have been prepared;
- At the water distribution point, the gardener monitors the water supply 7 days a week;
- The gas equipment, gas pressure, temperature of the gas are control, when the weather is hot the gas pressure reduces, dirty water are removing from the gas regulating of the tank which located at the site 470, the manometers in the inlet and outlet gas lines are in control in the boiler house daily;
- Different types of food are cooking for employees every work days in canteen.
- 53 BEOCL employees applied to First Aid Room with non-work related diseases during the reported period. All of them were rendered corresponding examination and treatment.

- **Security& Civil Defense activities**
- 231 one-time permissions were issued for 295 person and 206 vehicles entered to BEOC premises based on the requests received.
- Records in the log book of 748 employees who left for Bahar (working per shift) were maintained and their availability at work was checked during the current month.
- Deployment of employees (working on shifts) to Bahar field on vessels was accompanied on 05, 09, 12,16,25,28 days of current month by the Department's rescue-diver personnel.
- 12 letters were sent to Avtandil Aqayarov, the Chief of "Tornado-S " LTD, in order to get permission certificates for 493 employees and 159 special vehicles to be able to enter the "BEOCL" area, according to terms of the contract.
- T-cards control was carried out per the established procedure.
- Civil defense related activities continued per the approved plan.

- **b) Information Technologies**
- Within January was no disruption in IT dept.
- 98 helpdesk requests were processed
- Replaced were 3 failed ups on Compressor station

- Fixed was problem with Plotter in SS dept.
- 3 new laptops were configured and provided to Procurement team
- Web Filter and Anti-Virus licenses have been extended
- Replaced was failed computer at Oil processing and delivery office
- Tested and accepted equipment of resigned personnel
- Fixed were 2 failed computers
- Tested and accepted equipment of resigned personnel
- All empty cartridges were replaced
- All printers have been checked
- All servers checked and backed up.

IX– PROCUREMENT & MATERIALS: Reported by Rasul Gafarov

Procurement Division

- 70 MRs & SRs Received;
- 48 POs and SOs prepared in SUN System;
- 2 MRs canceled/oh hold;
- 8 MRs & SRs passed to Contract/Tender;
- 73 MRs & SRs under sourcing stage.

Tendered Contracts under process – 1

- BEOCL 10178 Construction of Seaport

Number of Valid Contracts

- OPS/WO/LOG – 43 (3 services contracts for empl.);
- Construction - 27;
- HSE – 15 (including 1 service contract for empl.);
- G&G – 10 (incl. 2 consultancy contracts & 2 internship program);
- ADMIN – 18 (incl. 4 service contracts for empl.);
- HR – 5;
- ITC – 12;
- Legal – 16;
- PM – 11
- Finance – 3;
- Logistics – 60 (including 14 service contract for bus drivers; 26 – compulsory insurance; 1 – operator of 60t crane; 1 – rigger)
- Number of addendums/extensions – 11
- Termination of agreements - 1

Materials and Handling Department:

- **3,623,000.00 kg** handled without incident;
- Handling division received **131** materials transfer request
- WHS received **32** PO's, **65** line items for the amount of **AZN 1,013,104.42**;

- WHS issued **352** line items for the amount of **AZN 1,455,201.97**;
- **58** NCR's raised; **18** NCR's was closed;
- Fuel station received **239,372.00** Liter of Diesel;
- Fuel station issued **146,191.00** Liters of Diesel;
- Fuel balance at February 1, 2022, is **139,656.00** Liters;

-----End of Report-----