



The future of E&P

Tony Hayward
Chief Executive, Exploration & Production

The future of E&P

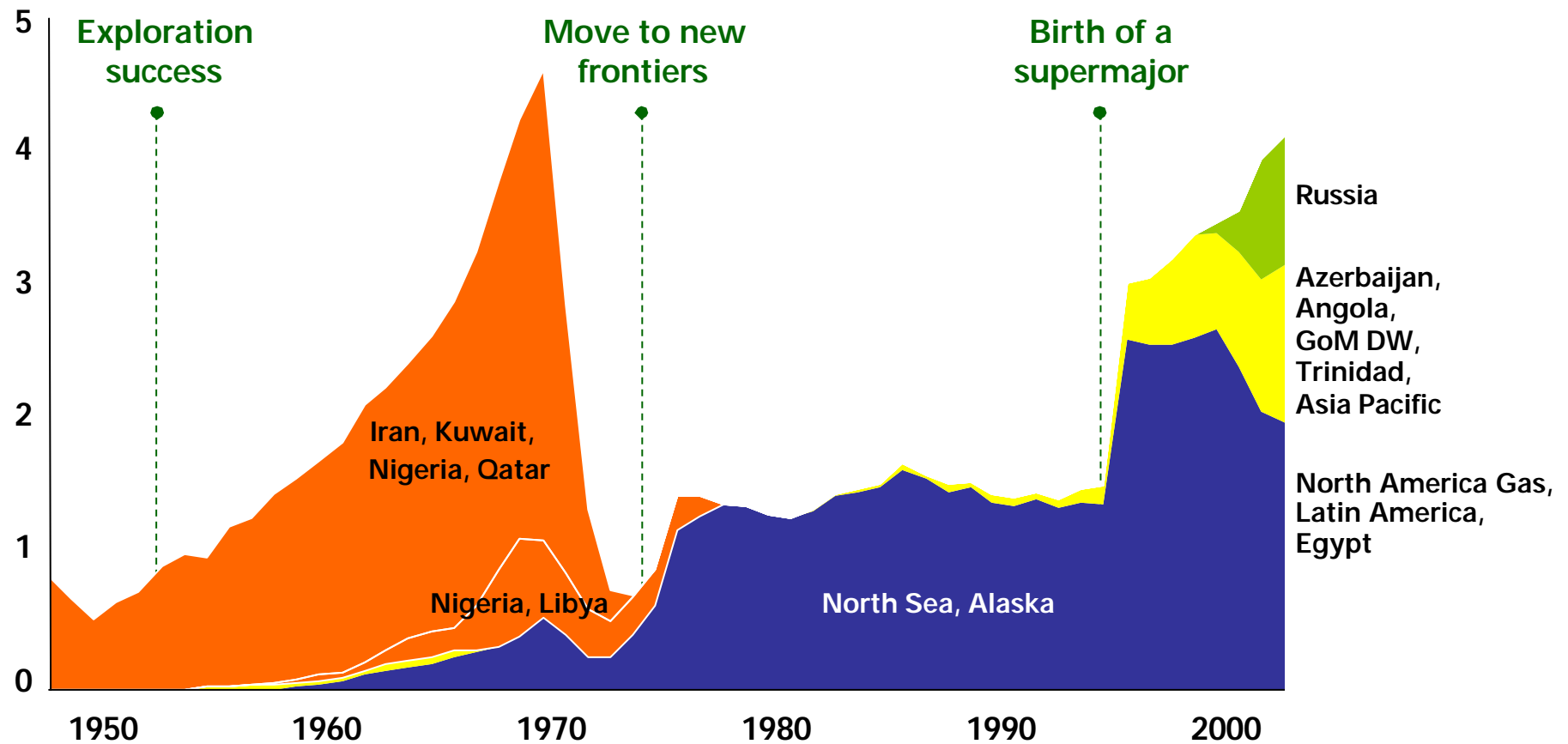


- How has the role of international oil companies evolved over time?
- What does an international oil company need to succeed in the future?

Evolution of an international oil company: BP 1950-2005



Million barrels of oil
equivalent per day



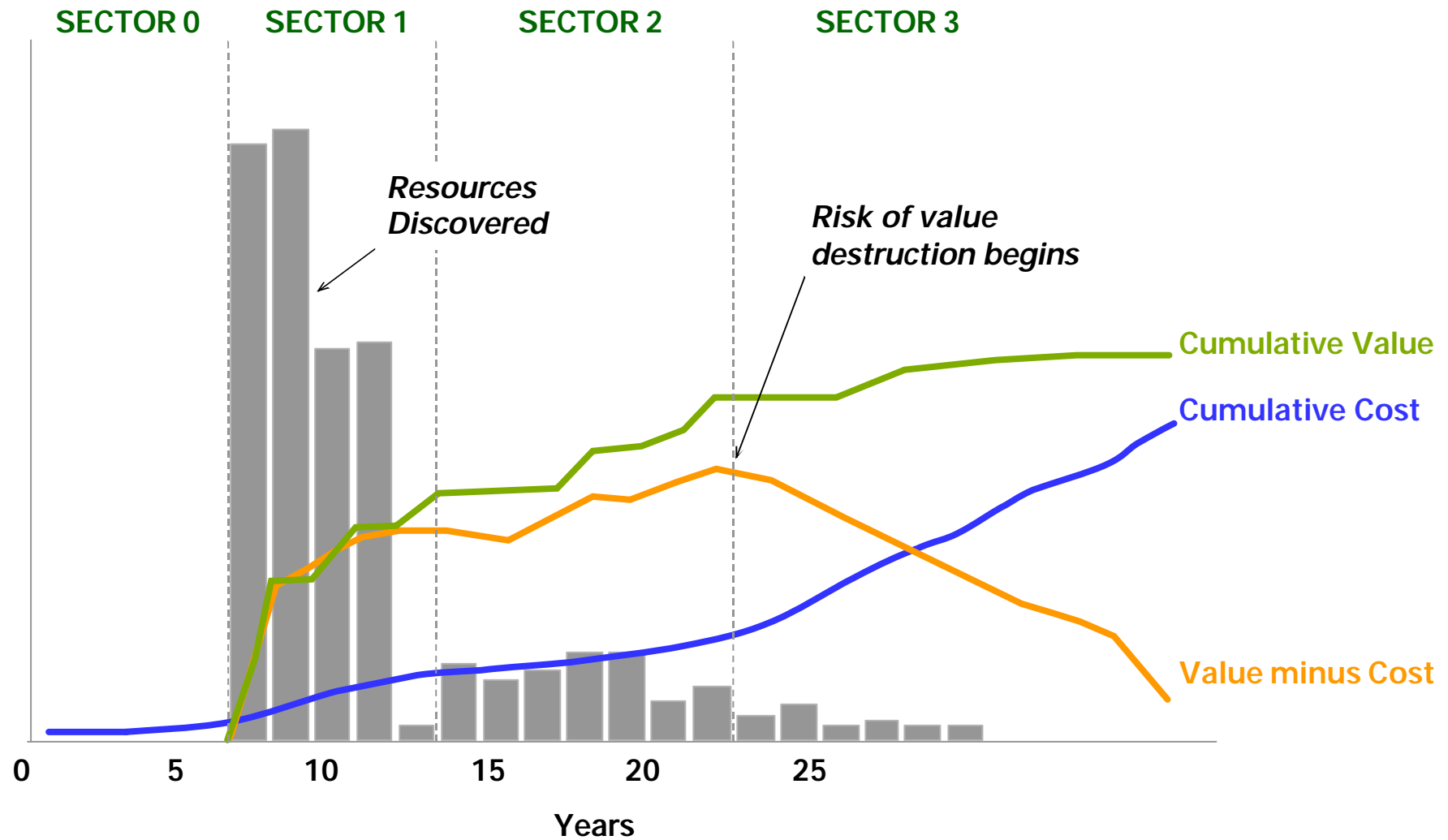
Source: historic data from BP archives; 2005 BP estimates as presented in 2Q05 results

What does an international oil company need to succeed in the future?



- Focussed exploration strategy
- Incumbent positions
- Technology
- Capability

Lifecycle of a basin: the value of focus



BP's exploration strategy



- Focus on the few new opportunities that can be material to a large company
- Be first in the most promising new opportunities
- Focus on finding the biggest fields
- Create a number 1 or 2 position

What does an international oil company need to succeed in the future?

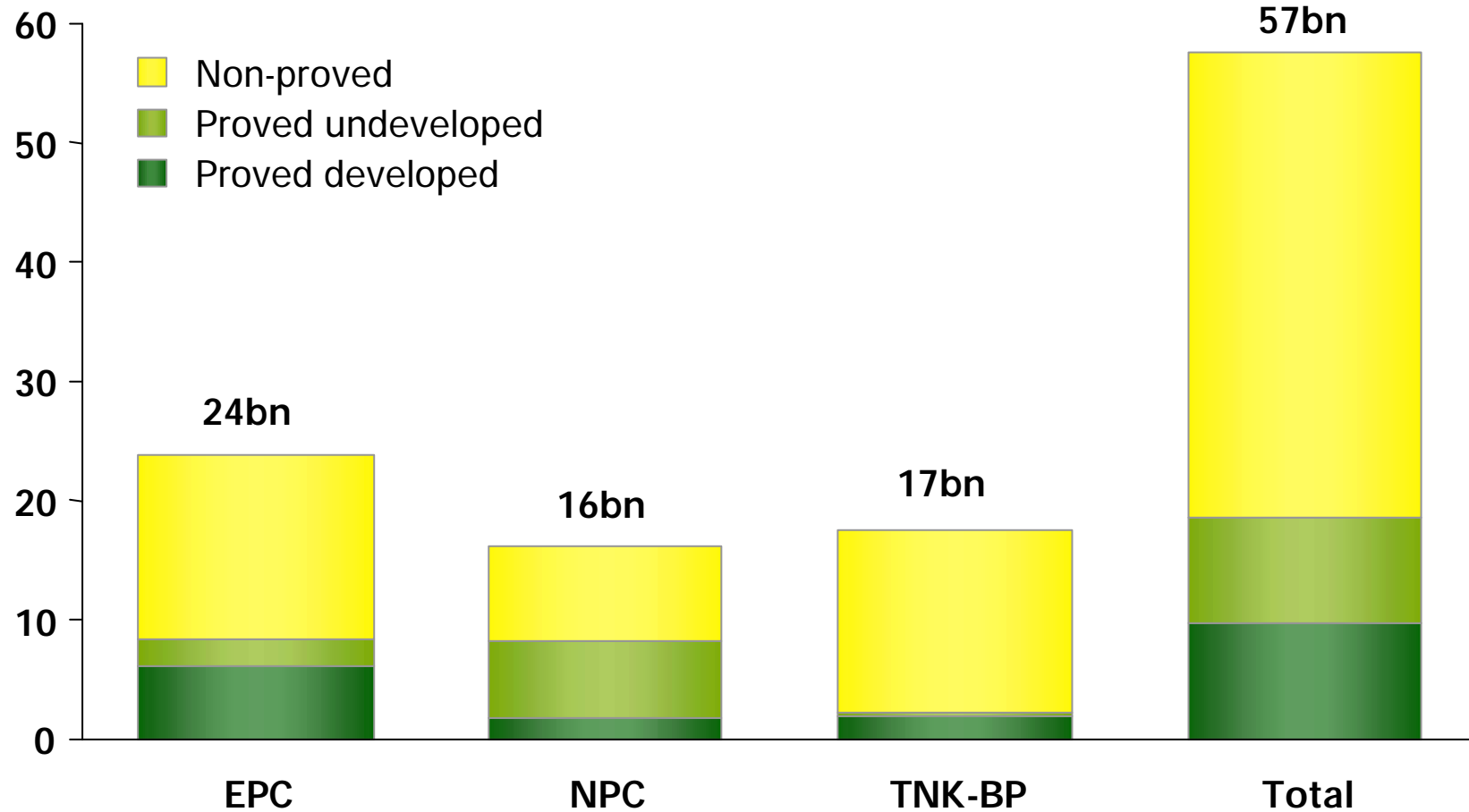


- Focussed exploration strategy
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Incumbent position Resource base

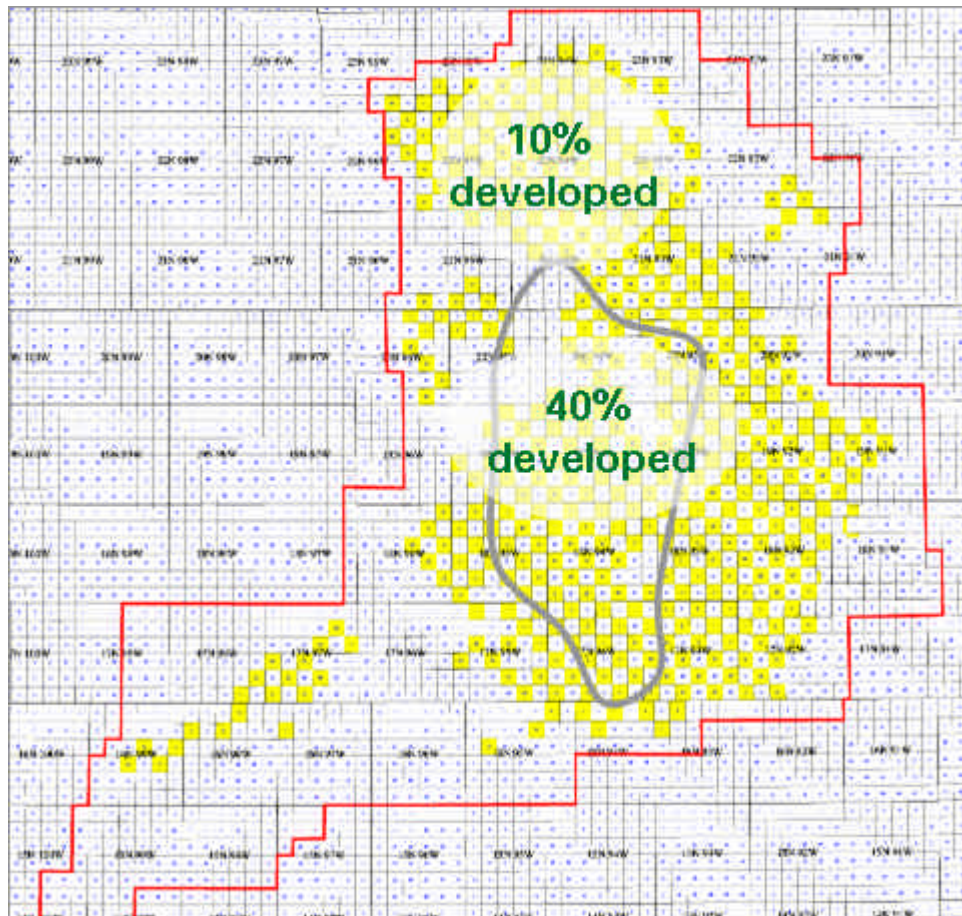


Billion boe

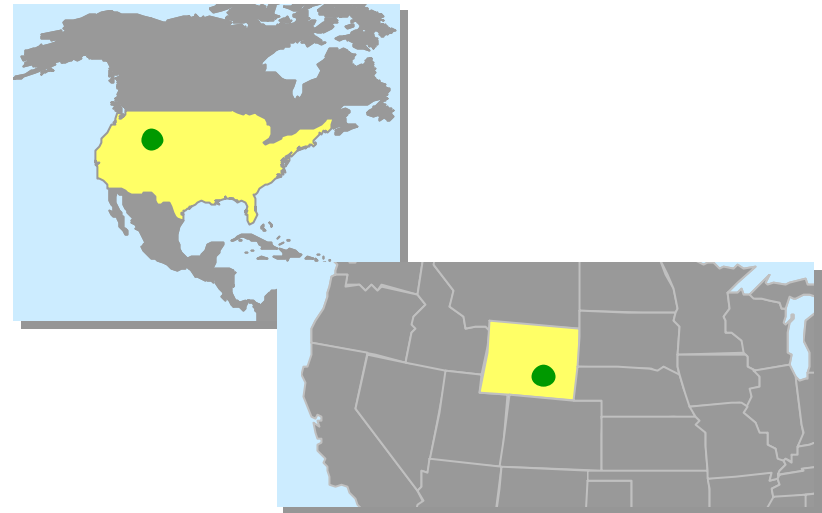


Reported data end 2004

Incumbent position Wamsutter



50 miles



Incumbent position Sector 1 Exploration



What does an international oil company need to succeed in the future?



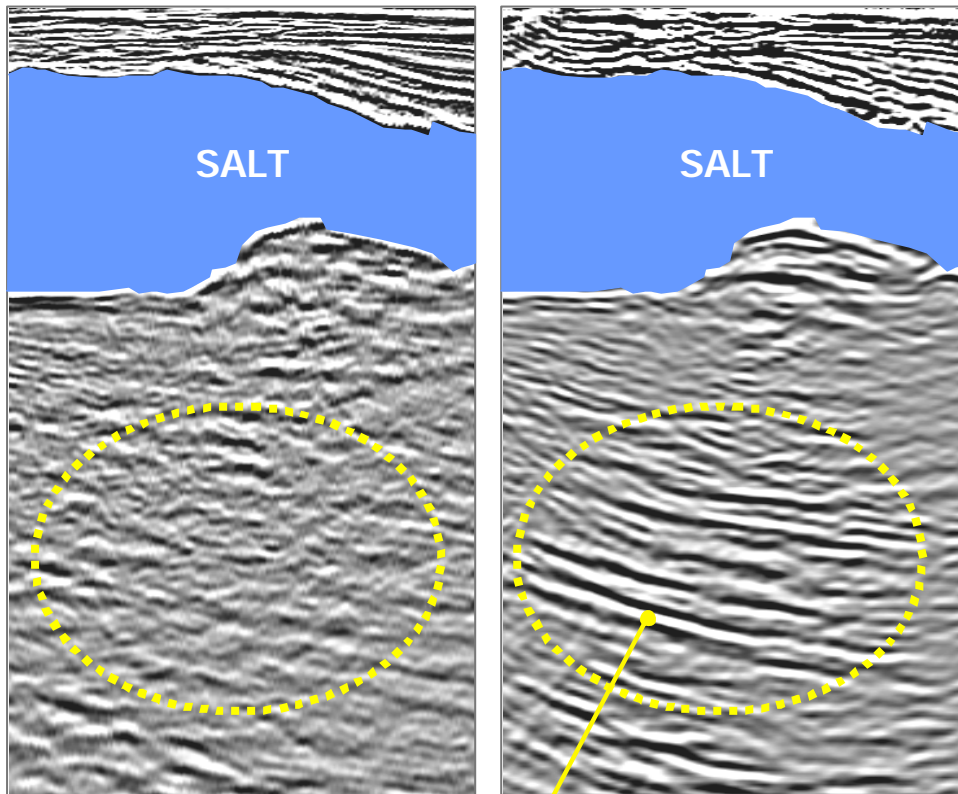
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Technology: Seismic



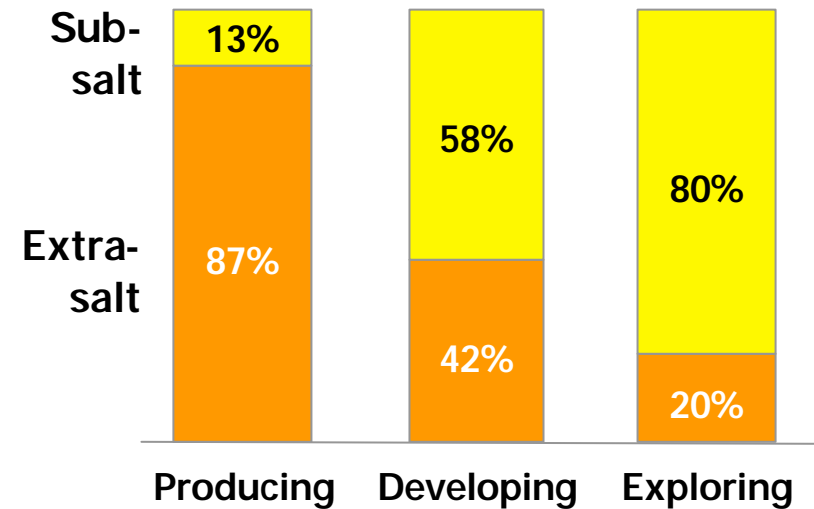
Conventional
Narrow Azimuth

BP Wide Azimuth

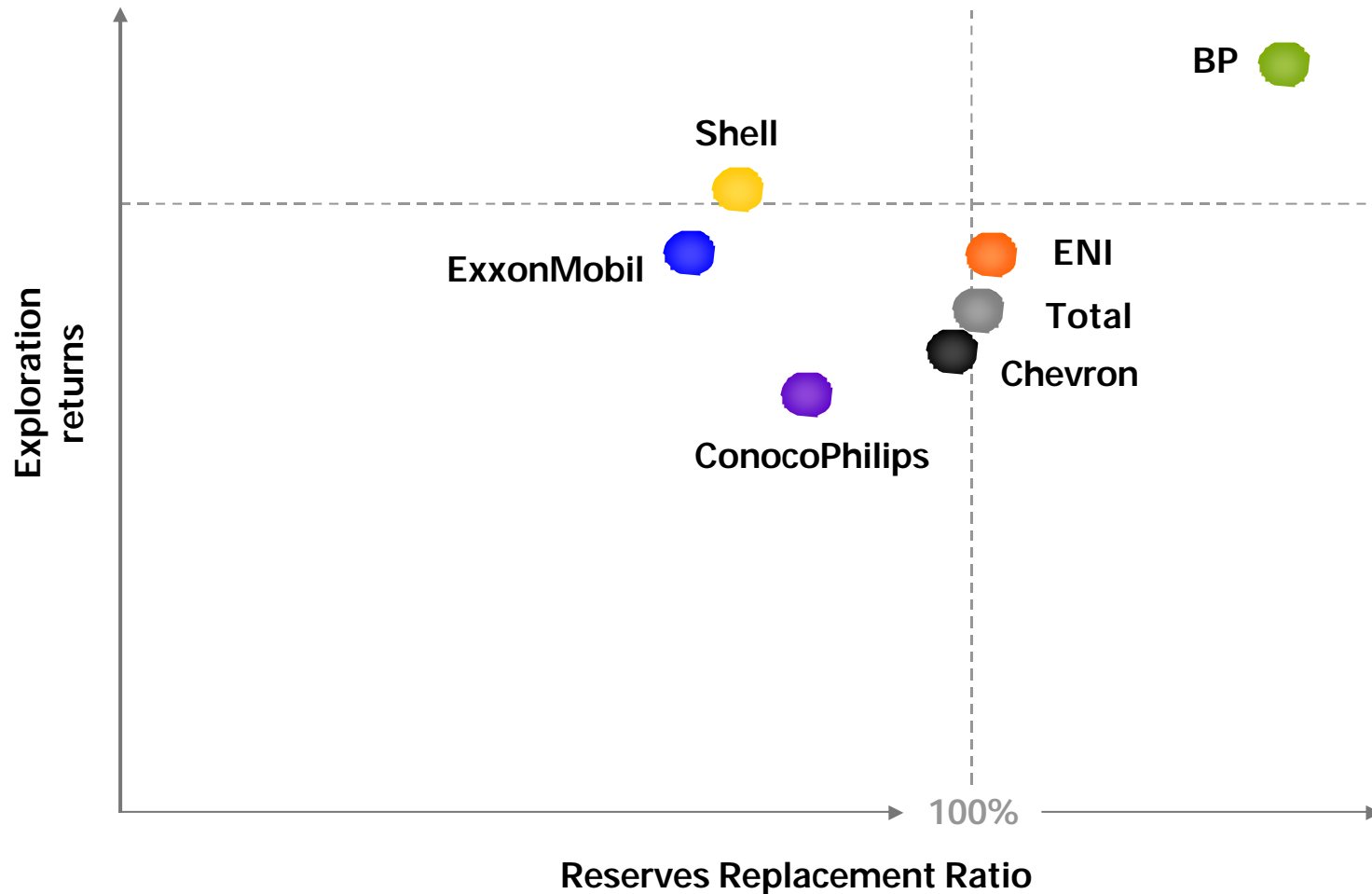


Wide azimuth technique identifies sub-salt structures conventional seismic cannot image

BP's DW GoM resources

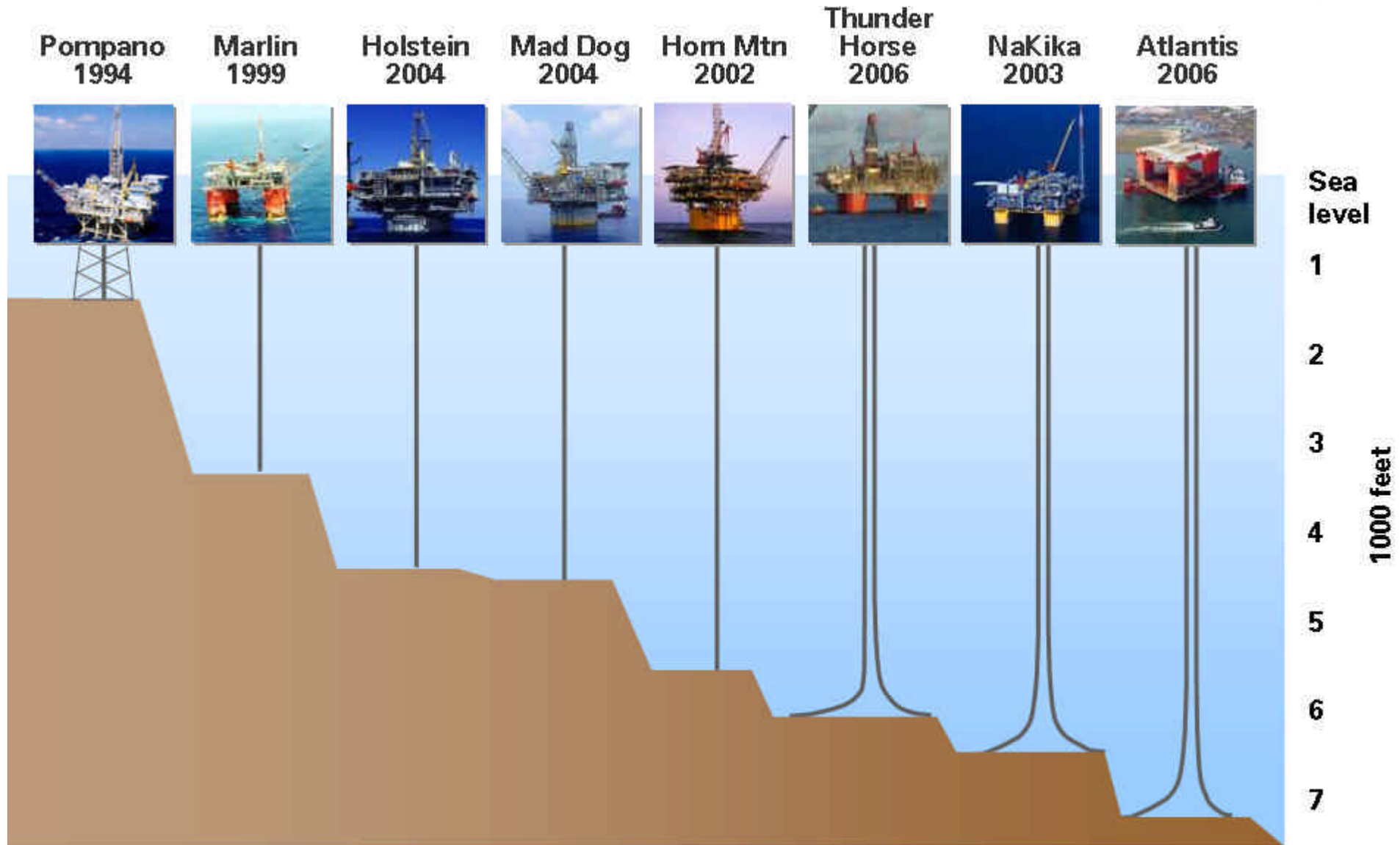


Exploration track record: BP's reserves replacement and returns (1995 – 2004)

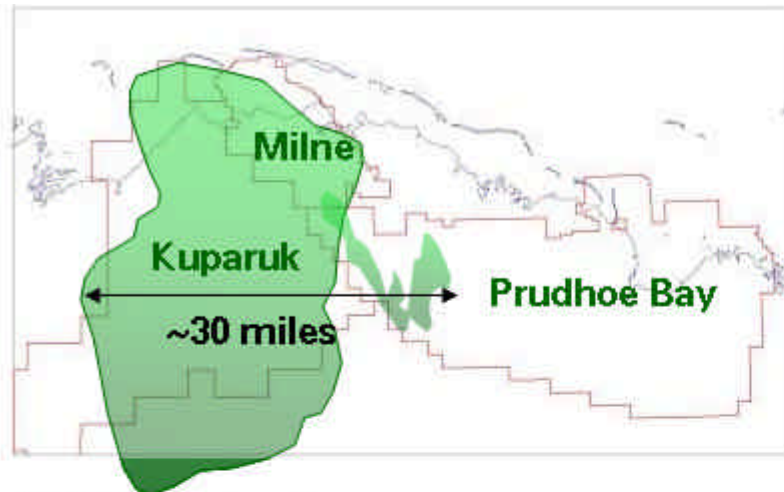


Source: Wood MacKenzie Exploration Strategy & Performance September 2005

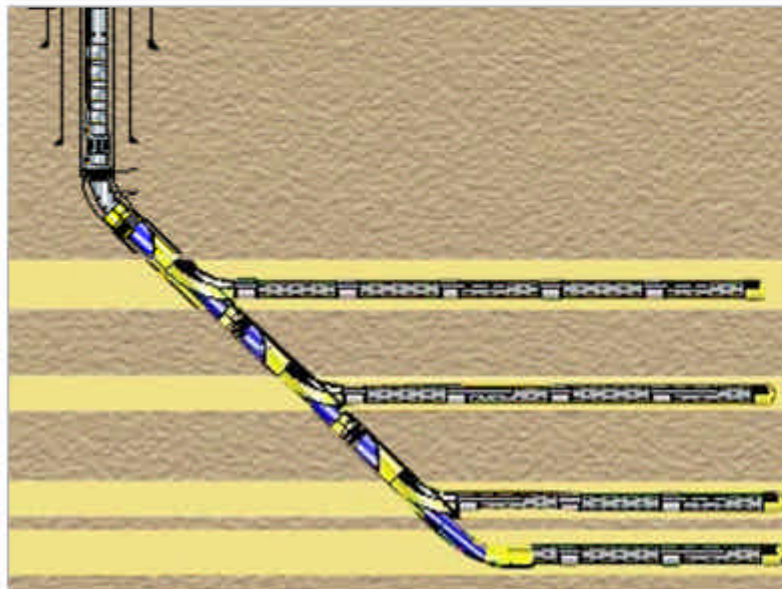
Technology: GoM deepwater developments



Technology: Viscous oil

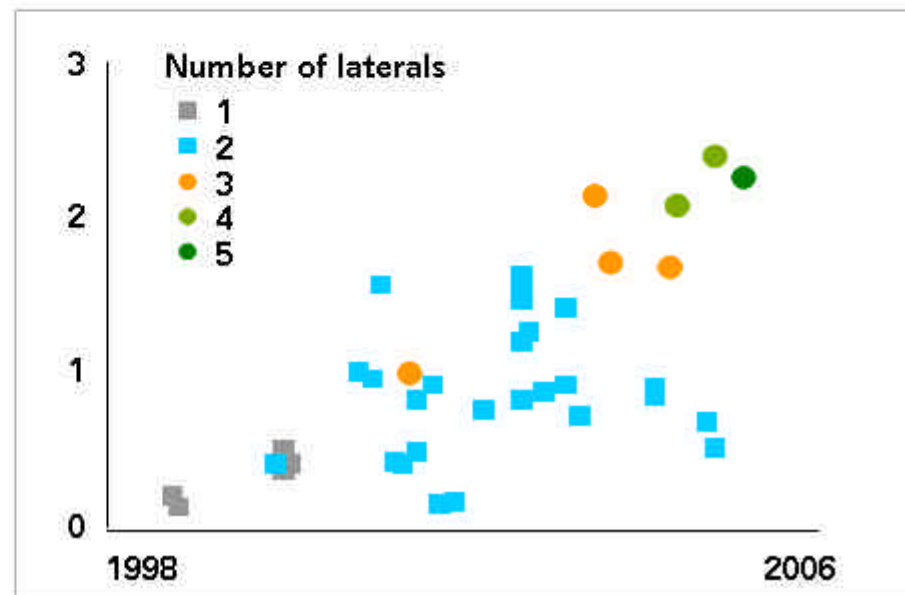


Multi-lateral wells



- Scale
- Innovation
 - Sub-surface understanding
 - Reservoir penetrations
- Results

Production – mbd

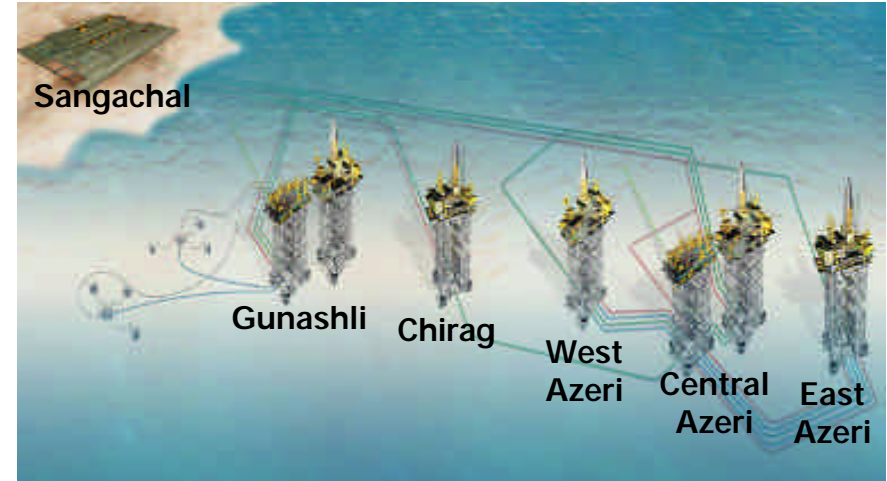


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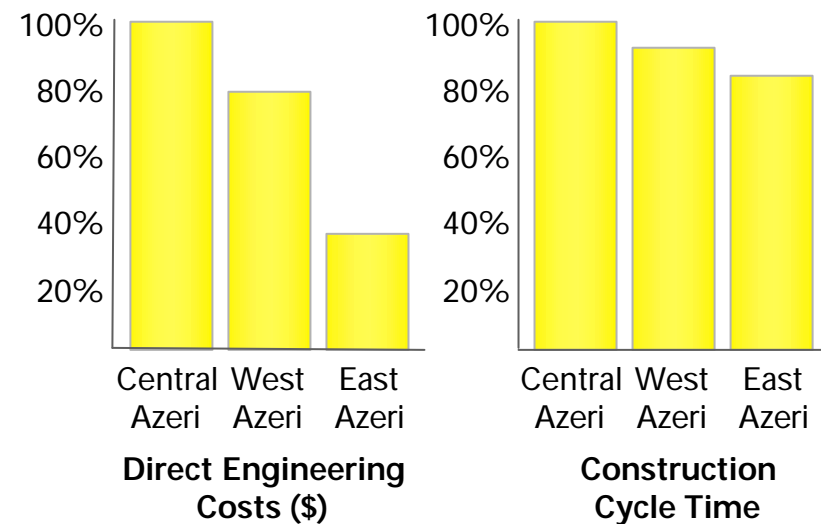


- Focussed exploration strategy
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Capability: Project Execution - Azerbaijan



Innovation through Standardisation



Capability: Local Development



TRINIDAD & TOBAGO: Cannonball Fabrication



La Brea, October 2003

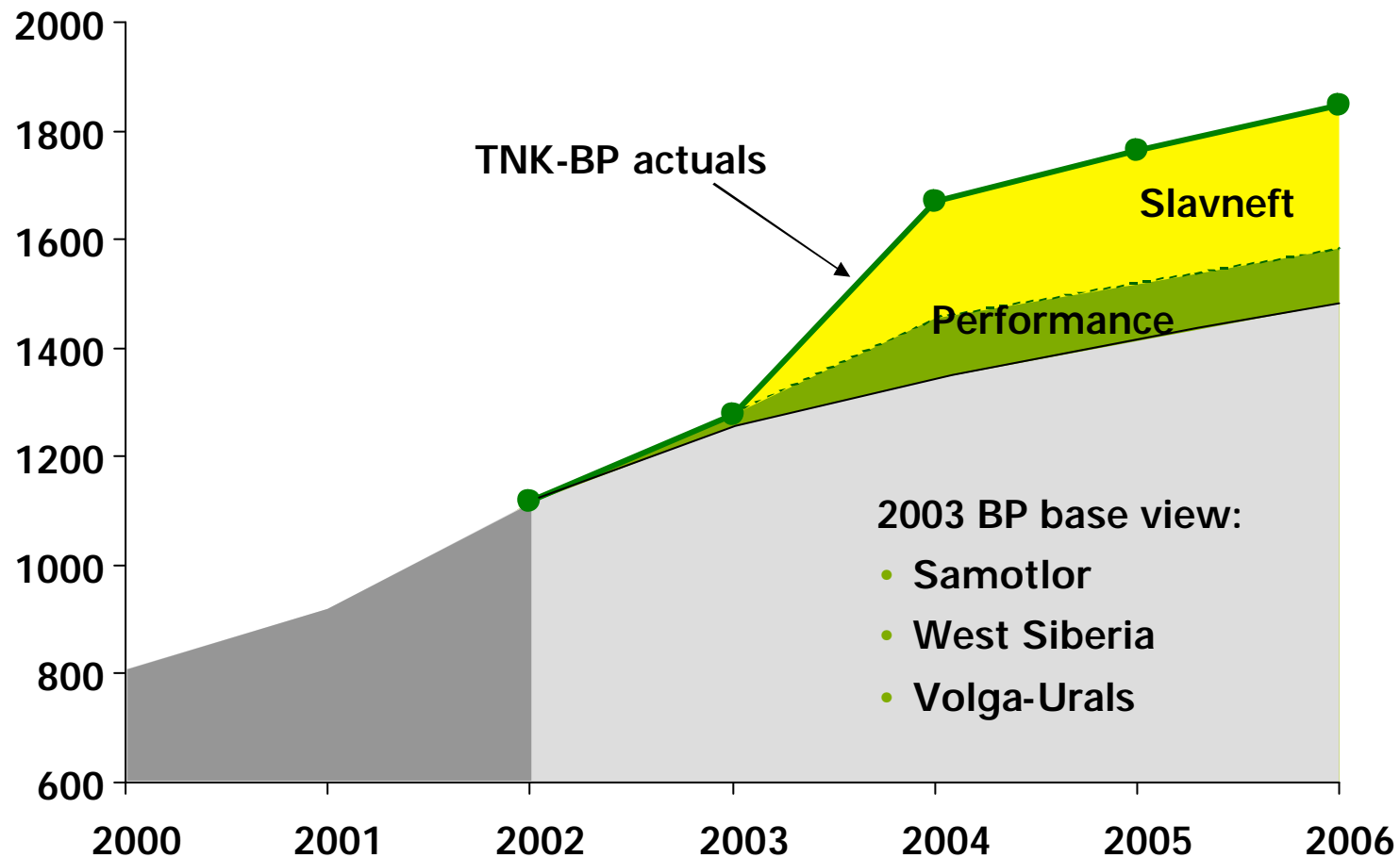


La Brea, February 2005

TNK-BP: Bringing capability to JVs



Production, mbd (gross liquids)



What makes BP distinctive?



- Focussed exploration strategy – track record
- Incumbent positions – knowing how to access and when to stop, including acquisition & divestment
- Technology – converting resources to reserves
- Capability – managing complexity and delivery of renewal at scale