



# Business Update

1<sup>st</sup> half 2015 results

# Performance

## Production



## Opex (\$ billion)



## Capex (\$ billion)

# 2015 highlights

- ACG achieved a total of over 2.7 billion barrels of oil production since start.
- ACG delivered nine oil producer wells and one water injector.
- Shah Deniz (SD) Stage 1 continued plateau production.
- The Shah Deniz Stage 2 (SD2) and South Caucasus Pipeline Expansion (SCPX) projects continued to progress to schedule.
- SCPX mainline construction commenced in Azerbaijan
- Over 15,000 people involved in SD2 and SCPX activities in Azerbaijan.
- The new shallow water Absheron production sharing agreement with SOCAR ratified by Parliament.

# Shah Deniz Stage 2 and SCPX

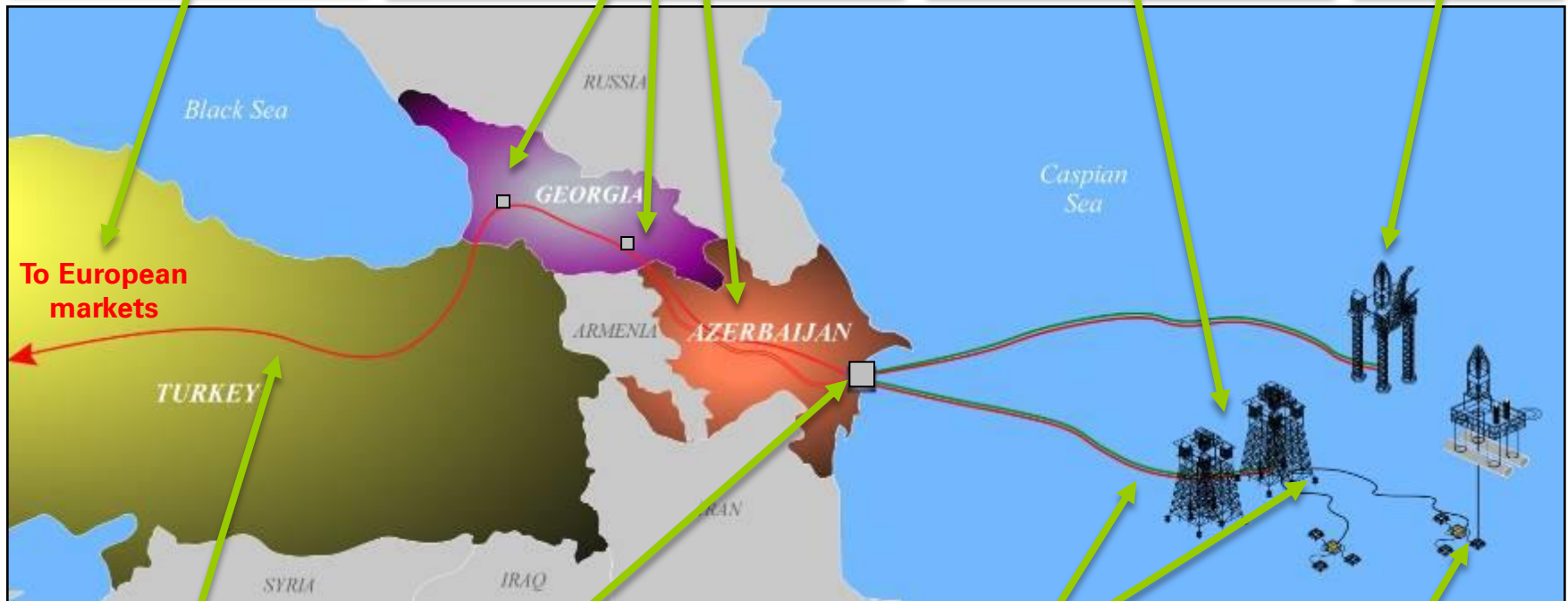
Contracts to sell gas to Turkey (6bcma) and Europe (10bcma)

16bcma upgrade of SCP:

- new SCPX 48" loop in Azerbaijan/Georgia
- 2 new compressor stations in Georgia

Two new bridge-linked platforms providing 16bcma offshore processing

Existing Stage 1 platform



1,900km TANAP pipeline (not operated by BP) across Turkey

New gas and condensate processing facilities with a compressor at Sangachal

360km of pipelines and 125km of subsea flow-lines in up to 550m water depth

26 subsea wells drilled with two semi-submersible rigs

# Local content and social initiatives

<b>Local contractors/suppliers</b> (Azerbaijan-Georgia-Turkey region) <sup>1</sup>	<b>Number</b>	<b>Spend</b> (\$ million)	
SMEs	185	310 <sup>2</sup>	} 42% of sustainable third party spend
State-owned companies	29	54	
JVs with local partners	13	443	
In-country spend with foreign suppliers		335	
<b>Total in-country spend</b>		<b>1,142</b>	

1. The data on local contractors is updated twice a year. This is the data for end of 2Q 2015.

2. This amount also includes expenditures with physical persons.

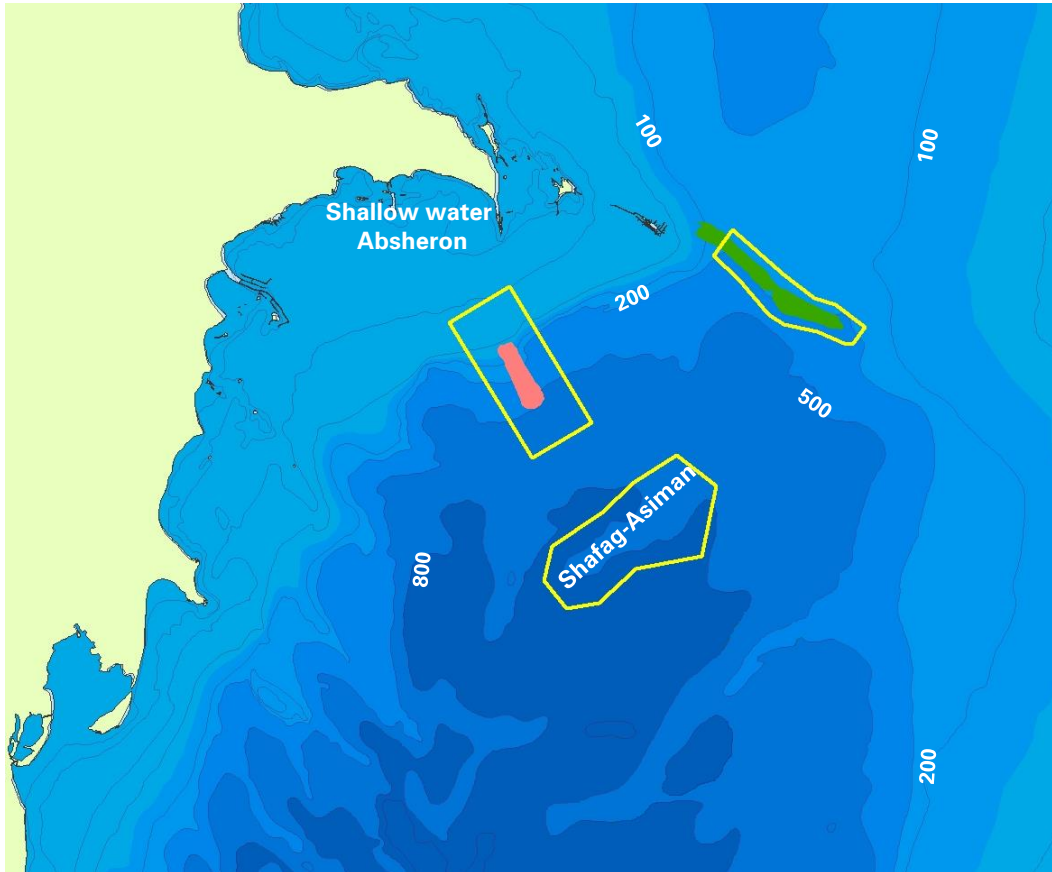
## Social initiatives in Azerbaijan

(\$ million disbursed)

ACG	0.28
Shah Deniz	0.28
BTC/SCP	0.55
BP100	1.46
<b>Total</b>	<b>2.56</b>



# Exploration opportunities



## Shafag-Asiman

- PSA signed in October 2010.
- Water depth: 600-800m.
- 60km from Shah Deniz; 145km from the Sangachal terminal.

### Progress:

- 3D seismic acquisition conducted.
- Data processing completed in 2014.
- Interpretation of the seismic dataset completed.

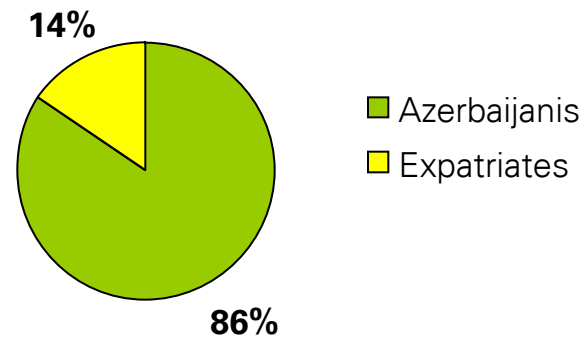
## Shallow water Absheron

- PSA signed in December 2014 (ratified by the parliament in April 2015).
- Water depth: up to 40m.
- South of the Absheron Peninsula.

# Employment of Azerbaijani nationals

- 2,866 Azerbaijanis directly employed by BP
- 86% of permanent professionals in Azerbaijan comprised of national employees

## Permanent professional employees in Azerbaijan





# Major social initiatives

- The enterprise development and training programme
- Support for building local capabilities through the School of Project Management and Gobustan Regional Training Centre
- Support for education through Qafqaz and Khazar Universities.
- Partnership with UNICEF in the “Partners in Education” project
- Macroeconomic advisory and business enabling environment projects
- Partnership with NOC and NPC and support for national teams
- Official Partner of the Baku 2015 European Games, exclusive official partner of BEGOC’s innovative Games Academy initiative and of the elite athlete development and coaching programme
- Business journalism training programme
- Support for publication of H.Z.Tagiyev book, medieval Tabriz miniatures book and research on the Azerbaijani novel ‘Ali and Nino’
- “Free admission to museums” initiative

