



# Execution in the base

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## Execution in the base



### Safely, profitably manage decline

- Safety is our first priority
- Reservoir management
- Drilling efficiency
- Operations efficiency
- Operating expenditure efficiency

~350 oil and gas fields

~2mmboed production

~\$9bn production cost per annum

~20,000 people today

# Reservoir management

## Reservoir sweep

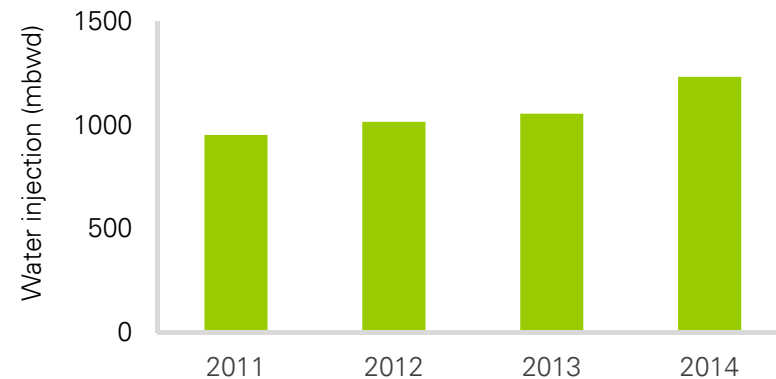


2014 water injection rates



- 78% of 2014 oil production supported by water and/or gas injection
- 5,500 mbd of water injected

Key area BP operated water injection rates

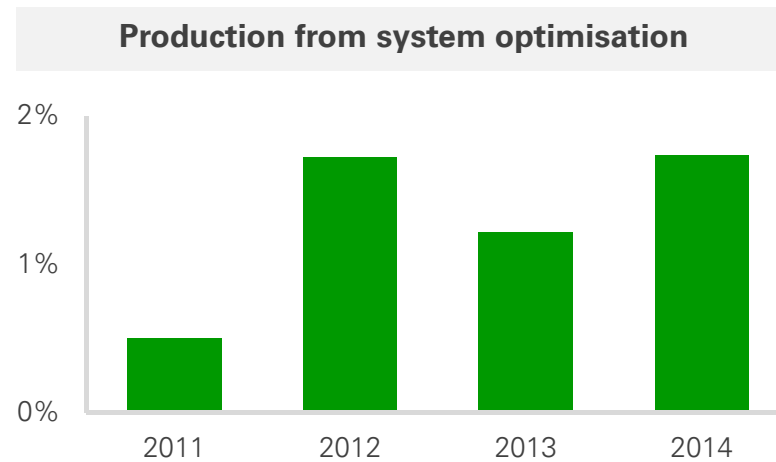
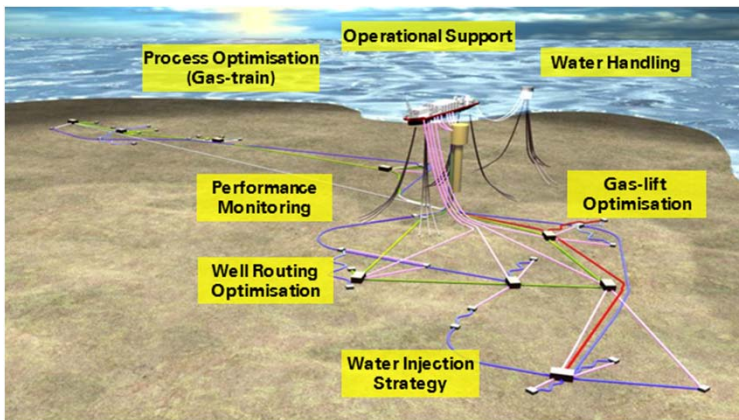


- Water injection volumes into key fields increased by 29%
  - Added 31 injectors since 2011
- Delivering systematic waterflood management
  - Right volume, right place, right quality, right time

2014 represents BP estimate



# Reservoir management System optimisation



- Systematic identification of opportunities
- Targeted deployment of capability and technology
- System modelling and optimisation has delivered 1-2% of production each year since 2012

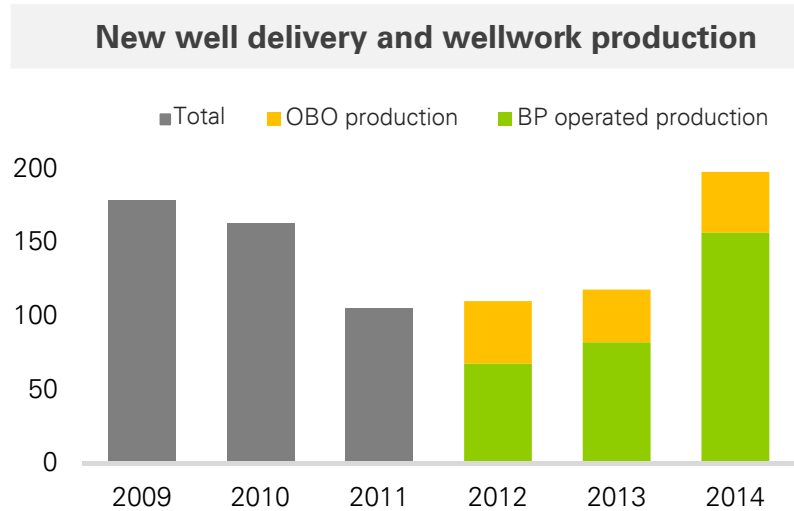
2014 represents BP estimate

# Drilling Efficiency



- 42 operated rigs by end 2014
- 126 BP operated wells drilled
- Returns over 25%

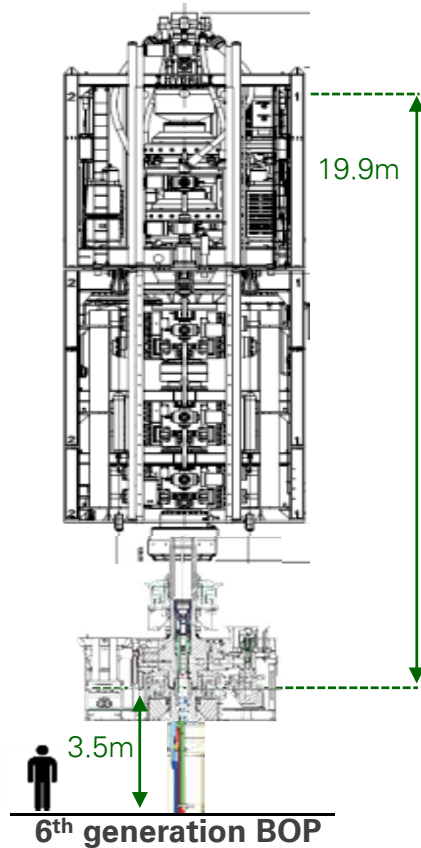
Source: BP Internal data; 2014 estimated  
All data excludes Lower 48



- Highest new well delivery since 2009
- First time ahead of plan since 2009
- Wellwork highest since 2009
- BP operated non-productive time decreased 18% since 2012

# Drilling

## Blow Out Preventer reliability

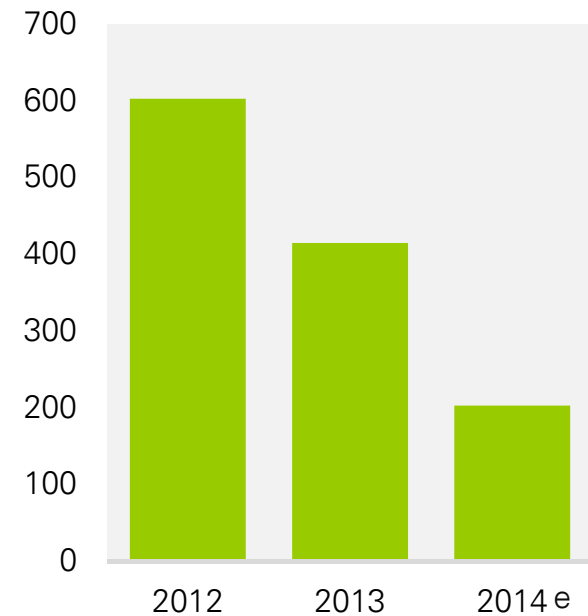


### BOP reliability team

- Dedicated team of experts
- 4 focus areas
  - Troubleshooting and risk assessment
  - Maintenance
  - Defect elimination
  - Contractor engagement

### Subsea BOP reliability

#### Non-productive time (days)



Source: BP Internal data

# Operations Efficiency



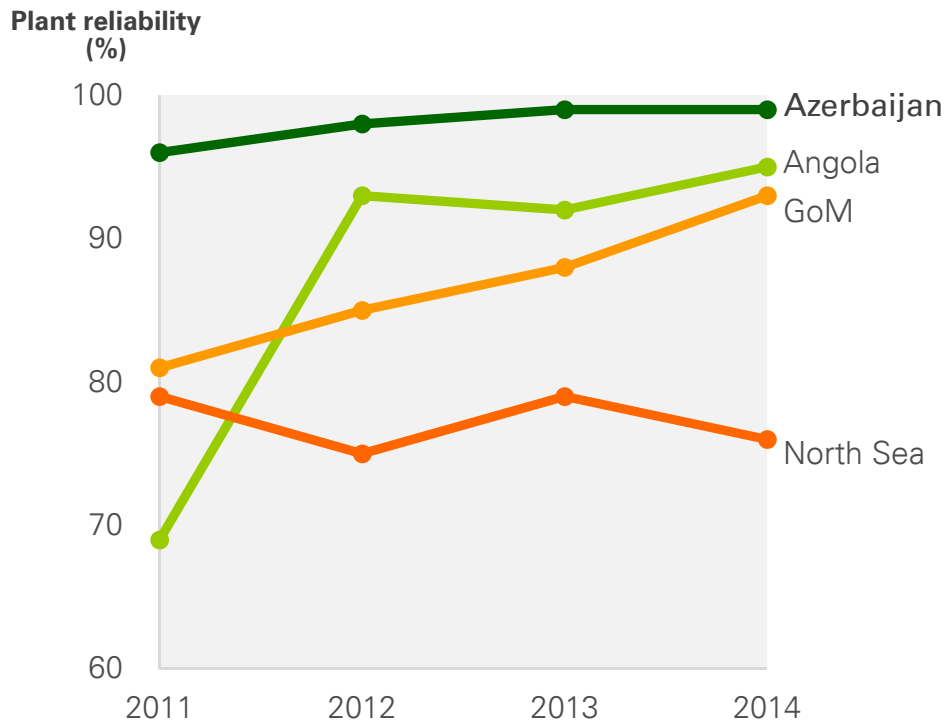
- Global operations priorities
  1. Embed the functional organisation
  2. Drive improvement in reliability and maintenance
  3. Manage process safety and plant integrity
  4. Strengthen control of work
  5. Instil operating discipline
- Simplification and efficiency – 2015 onwards



Source: BP internal data  
All data excludes Lower 48

# Operations Key regions

## Plant reliability



- Drive root cause failure analysis
- Eliminate defects
- Eliminate vulnerabilities
- Build capability

(1) Source: BP internal data; 2014 based on 3Q YTD



# Operating Expenditure Efficiency

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## In action

- ~1,000 staff reduction due to divestments and restructuring by year end 2014
- ~1,200 reduction in agency staff by year end 2014
- Alaska and Lower 48 improvement plans

## Forward plan

1. Safety remains our top priority
2. Activity: amount and pace
3. Efficiency: right sized overheads and simplified processes
4. Specifications: “fit for purpose” & industry solution
5. Unit costs: rebid & consolidate, etc.



## Summary

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- Safety continues to improve – remains our number 1 priority
- Safely, profitably manage production decline to compound annual 3-5%
  - Continue focus on reservoir health
  - Competitive drilling in every basin
  - Improve North Sea plant reliability
- Continue to drive operating expenditure efficiency