Forward looking statements: This presentation and the associated slides and discussion contain forward-looking statements, particularly those regarding oil and gas prices; expected start-up of Thunderhorse; the timing of other projects and their contribution to expected production, their estimated reserves and production capacity; production; the expected movement of non-proven resources to proved reserves; divestments and their effect; capital expenditure; and cash flow. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will or may occur in the future. Actual results may differ from those expressed in such statements, depending on a variety of factors, including the timing of bringing new fields on stream; future levels of industry product supply; demand and pricing; operational problems; general economic conditions; political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations; exchange rate fluctuations; development and use of new technology; changes in public expectations and other changes in business conditions; the actions of competitors; natural disasters and adverse weather conditions; wars and acts of terrorism or sabotage; and other factors discussed elsewhere in this presentation.

Cautionary Note to US Investors - The United States Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or formation tests to be economically and legally producible under existing economic and operating conditions. We use certain terms in this presentation, such as “resources” and “non-proven reserves”, that the SEC’s guidelines strictly prohibit us from including in our filings with the SEC. U.S. investors are urged to consider closely the disclosures in our Form 20-F, SEC File No. 1-6262, available from us at 1 St. James’s Square, London SW1Y 4PD. You can also obtain this form from the SEC by calling 1-800-SEC-0330.

September 2006
Introduction

Fergus MacLeod
Head of Investor Relations
1989 Access Agenda

1997 Baku Analyst Trip
Current Environment

- Competition Increasing
  - Access competition
  - New players
  - Terms erosion

- Challenge to BP
  - Keep ahead of pack
  - Play to strengths
  - Exploration track record
  - Deepwater technology
  - Relationship management
  - Deepen existing positions
  - Broaden into new positions
David Woodward will be retiring from BP on 1 January 2007. Bill Schrader will be effective in this role from 10 November 2006.
### Project start-ups

#### 2005
- Valhall Waterflood
- Mad Dog
- Central Azeri
- Clair
- Kizomba B
- Trinidad LNG
- Train 4
- Rhum
- West Azeri
- Shah Deniz Pipeline

#### 2006
- Cannonball
- Temsah
- Redevelopment
- BTC
- In Amenas
- Wamsutter
- Dalia
- East Azeri
- Shah Deniz
- Magnus Extension

#### 2007
- Atlantis
- King Sub-sea Pump
- San Juan
- Coal Bed Methane
- Greater Plutonio
- Kizomba A Ph 2
- Rosa
- Red Mango
- North West Area Development

#### 2008 - 2009
- Thunder Horse
- Ursa Expansion
- Kizomba C
- ACG Phase 3
- Angel
- Australia LNG T5
- Tangguh Phase 1
- Saqqara
- Dorado
- Great White
- Horn Mountain NW
- Mad Dog SW Ridge
- Mars South
- Cashima
- Chacalaca
- Egypt LNG T1
- Harding Gas
- Valhall Redevelopment
- Uvat (Demiansky Phase I)

#### 2010 and beyond
- Atlantis North Flank
- Puma
- Tubular Bells
- Alaska Gas
- Liberty
- Point Thomson
- Western Regional Development
- Angola LNG
- Block 18 West
- Block 31 North
- Block 31 South
- Block 31 Central
- Paz Flor
- Egypt LNG T2
- Browse
- Io / Janz
- Tangguh Phase 2
- Vietnam Phase 2
- Colombia Gas
- Clair Ridge
- Skarv
- Kovylkta Export
- Rospan
- North Rankin B
- Kizomba D
- Shah Deniz Phase 2

<table>
<thead>
<tr>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008 - 2009</th>
<th>2010 and beyond</th>
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<tr>
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<td>Cannonball</td>
<td>Atlantis</td>
<td>Thunder Horse</td>
<td>Atlantis North Flank</td>
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<tr>
<td>Waterflood</td>
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<td>Shah Deniz</td>
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<td>Block 31 South</td>
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<td>Pipeline</td>
<td></td>
<td></td>
<td>Mad Dog SW Ridge</td>
<td>Block 31 Central</td>
</tr>
</tbody>
</table>

- **on stream**
- **in development**
- **under appraisal**
Production to 2010

BP projection for ‘06-‘10 updated to reflect closed ‘06 divestments

Divestments closed in 2006

- TNK-BP
- New profit centres
- Existing profit centres

Actual prices and portfolio

Production at $40

mmboe/d
Resource growth & progression
2001-2005

Start '01 resources
25.9
15.2
41.1

Purchased
12.5

Non-proved
9.1

Proved
2.7

Further appraisal, revisions
7.8

New discoveries
8.0

Sold
4.4

End '05 resources
40.7
18.3
59.0

6.7 Produced

Totals in billion boe
Proved UK SORP, non-proved BP data
Between 2005 and 2010, 11 billion boe (barrels of oil equivalent) of non-proved resources are expected to be moved to proved reserves.
The ultimate prize

200 bn boe oil and gas initially in place

Does not include exploration potential

Produced
Proved
Non-Proved
Currently unrecoverable hydrocarbon

bn boe

38

18

41

200 bn boe oil and gas initially in place
Summary

- New Profit Centres have arrived
  - Major Projects underpin production growth through the end of the decade and beyond

- Power of incumbent positions
  - Technology to unlock the resource base
Building a New Profit Centre: Azerbaijan

Andy Inglis
Deputy Chief Executive, Exploration & Production
Building a new profit centre: Azerbaijan

- Resource base
- Technology
- Project delivery
- Statecraft and diplomacy
- Sustainability through mutuality
Resource base: Azerbaijan

ACG and Shah Deniz Gross Resource

- 0.4 bn boe Produced
- 6.1 bn boe Sanctioned
- 7.6 bn boe Non-Proved
- Currently unrecoverable hydrocarbon

Source: BP data
Technology

Reserves pull-through

Maximising revenue

Capital efficiency
Sustainability through mutuality

Workforce capability

Local content

Capacity building
Overview of Azerbaijan and BP’s presence

Rashid Javanshir
Vice President, Onshore Operations
Geography
150 years of oil production

Historical peak 1941 (475 mmstb/d)

ACG 2010 (1200 mmb/d)

Phase 3 online 2008

Today

Azeri online 2005

Chirag online 1997

Future decline for other fields assumed 3% annual
Azerbaijan’s oil history

Oil wells in the vicinity of Baku pumping oil into reservoir lakes in 1880s. *Photo: Azerbaijan National Archives.*

The Nobel Brothers’ oil wells in Balakhani, a suburb of Baku.

View of Oil Rocks c. 1950s

2006 Central Azeri platforms
BP Azerbaijan assets

- Total gross investment of $25bn, with over $21bn spend to date
- Peak production of over 1 million barrels per day and 840 mmcf/d (8.7 bcma) gas from existing projects
- Sangachal - the largest terminal outside of the Middle East (3 million barrels of storage)
- BTC – One of the world’s longest pipelines at 1768km
- Combined design capacity of Central, West and East Azeri platforms:
  - 1.1 million barrels / day oil
  - 1.2 billion cubic feet / day gas
Resource base: Azerbaijan

Gross oil / gas resource potential

<table>
<thead>
<tr>
<th>Category</th>
<th>Non-proved</th>
<th>Sanctioned (incl. produced)</th>
<th>Exploration (risked)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACG</td>
<td>3.1</td>
<td>5.4</td>
<td>4.5</td>
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<tr>
<td>SD</td>
<td>1.1</td>
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<tr>
<td>Exploration</td>
<td></td>
<td></td>
<td>2.2</td>
</tr>
</tbody>
</table>

Source: BP data (based on existing PSCs only)
BP Azerbaijan net resource progression
2001 - 2005

Additions
Current PSC appraisal
and exploration

Start ‘01 resources

1.3
0.2
1.5

Non-proved
1.2

Proved

0.1 Produced

End ‘05 resources

2.0
1.3
3.3

*Totals in bn boe
End ‘05 position based on UK SORP, non-proved BP data
Future potential

Potential gross oil + condensate production

- PSC base production
- Further develop existing PSCs

Potential gross gas production

- Further exploration & access

Forward projections: BP data
Major Projects Delivery (Offshore)

Bruce Luberski, Vice President, Major Projects
Mike Skitmore, Vice President, Shah Deniz
ACG field

- **ACG sanctioned resource**: 5.4 bn bbl
- **Peak production gross**: 1.2 mmbd
- **Capital cost gross**: $17 bn
- **BP working interest**: 34.1%

**Forward projections: BP data**
BP Azerbaijan vision

**End 2004**

- Sangachal
- Chirag
- Shah Deniz 1

**End 2006**

- Sangachal
- Chirag
- West Azeri
- East Azeri
- 2006

**The Future**

- ACG Phase 3
- 2006
- Shah Deniz 2
- Inam
- Central Azeri
- Alov

**GROWTH Capital**

- **Spend 2004:** $12m/day
- **Spend 2006:** $13m/day

**Offshore:** Chirag

- Chirag, CA/CWP, WA, SD, EA
- 8+ operating platforms + Projects

**People:**

- 3000 BP staff + agency
- 4000 BP staff + agency
- >2000 BP staff

**Infrastructure:**

- 2 export pipelines
- Sangachal EOP Terminal
- 4 export pipelines
- Expanded Sangachal Terminal
- One of the biggest terminals in the world

**Production:**

- 130 mbd
- 500 mbd
- Shah Deniz ramping up
- 1 mmbd in 2009
- 840 mmcf/d in 2009
ACG early oil project (Chirag)

Sanctioned: 1994
First oil: Nov 1997

2005 production – exported: 140 mbd gross
2005 Lifting and transportation cost: ~$1.60/bbl
Total investment: ~$2.2bn
ACG full field development

- 90,000 te topsides
- 90,000 te jackets
- 1000 km offshore pipelines

- One of world’s largest terminals
- 7 years of execute
- 100 million man-hours to date
- Over 3 million man-hours/month

- 80% of man-hours in Azerbaijan
- 20% across another 10 countries
- New Workforce - 8000 Azerbaijani
Sangachal history

2000

Early Oil Project
Sangachal history

2005

Shah Deniz

Early Oil Project
Projects production line

Production facilities engineering costs

Direct manhours/te

CA (41)
CWP (21)
WA (32)
Clone
EA (15)

Build duration

Months

CA
WA
EA
Shah Deniz Stage 1 development

Sanctioned resource (Stage 1) 6.5 tcf (185 bcm) of gas
300 mmbbl of condensate

Stage 1 peak production 840 mmcfd (8.7 bcma)

Capex (upstream & midstream) $4bn

Working interest 25.5%

Forward projections: BP data
Shah Deniz

Offshore pipeline – beach pull

TPG500 installation

Sangachal Terminal on track

Progress on SDX-04 appraisal
Statecraft and Diplomacy: The Story of BTC

Michael Townshend
Former Vice President, Onshore Operations & Projects
The politics of welding

Golden Weld Azerbaijan /Georgia – Oct 04

1st Oil Azerbaijan – May 05

1st Oil Georgia – Oct 05

Golden Weld Azerbaijan /Georgia – Oct 04
Environmental
Project financing and NGO scrutiny

**Why external financing:**
- Ensured pipeline built to international standards
- Provided political risk cover

**Impacts of external financing:**
- Higher levels of NGO scrutiny
- Significant media coverage
- High standards set and audited by lenders
Security and Integrity
Unexploded ordinance on right of way
Mud volcano ridge
Digging for the pipe & block valve station
Going down deep
Ridgeline construction – Turkey (and China)
Rock removal
Trench breakers and broken bones
Steep slope
Moving down
Nearly there…
The end in sight
The end in sight
Value through Technology

Fereidoun Abbassian
Technical Director
Technology in support of business delivery

Reserves pull-through

Maximising revenue

Capital efficiency
Technology in support of business delivery

Reservoir

Onshore terminal & export

Integ rated System

Wells

Offshore production facilities
Strategic technologies

**Technology drivers**

- Reservoir management
- New well delivery
- D&C performance
- Operating efficiency

**Advanced seismic**

**Intelligent completions**

**Zonal flow monitoring**

**Field of the Future™**
**Aim**

- Monitor fluid movements in the reservoir

**BP’s position**

- Technology leadership area
- Industry leader in 4-D life-of-field monitoring

Ocean bottom cable 4D seismic
Intelligent completions

Aim

- Increased production with fewer wells

BP’s position

- Azerbaijan is leading BP and the Industry
Increased production on Azeri

60,000 barrels per day injection of water

30,000 barrels per day production of oil

BP's Top 10 Oil Producers

(ACG shown in red)
Zonal flow monitoring

**Aim**

- Real time monitoring of reservoir flow

**BP’s position**

- World leader in development and implementation of technology
Field of the Future™

Cross discipline collaboration
Monitoring real time data

Advanced Collaboration Environment
Decision making/people
Analysis/modeling

Integration

Wells
Reservoirs
Offshore production facilities
Onshore terminals & exports
BP’s Distinctive Caspian Presence

Rashid Javanshir
Vice President, Onshore Operations
Local content development

Year:
- 2003
- 2004
- 2005
- 2006
- 2007
- 2008
- 2009
- 2010

Spend in $m:
- Local sustainable spend
- Other spend

Note: (excluding projects)
Commercial Structure & Financial Performance

Phil Home
Commercial Director
PSC terms – General principles

**Duration**
- Exploration phase normally three years with 2-3 well commitment
- 25 year development phase with a five year negotiable extension

**Costs**
- FOCs (Foreign Oil Companies) pay all costs, recovered as “cost oil”
- Financing cost charged on unrecovered Capex & Opex balances carried forward (e.g. @ LIBOR+4% in ACG PSC)

**Production**
- “Profit oil” is shared between FOCs and Azerbaijan State according to profit sharing mechanism [based on either RROR (Real rate of return) or R-factor]
- Unutilised associated gas is delivered at no cost to the State

**Accounting & Fiscal**
- Accounting is in US Dollars
- Azerbaijan profits tax rate is fixed for duration of PSCs
- No customs duty & VAT paid by FOCs and contractors
- PSCs contain Economic Stability clauses

**Standards**
- PSCs apply international standards
- Environmental and Social Impact Assessments required for all projects
Example: ACG PSC mechanism

- **Total Production X Net Back Price**
  - OPEX Recovery 100%
  - Capex Recovery (up to 50%)
    - @ LIBOR+4%
  - Contractor Profit Oil

**Profit Oil Shares**

<table>
<thead>
<tr>
<th>Contractor's RROR</th>
<th>Government Share (%)</th>
<th>Contractor Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>RROR &lt; 16.75 %</td>
<td>30</td>
<td>70</td>
</tr>
<tr>
<td>16.75 % ≤ RROR &lt; 22.75 %</td>
<td>55</td>
<td>45</td>
</tr>
<tr>
<td>RROR ≥ 22.75 %</td>
<td>80</td>
<td>20</td>
</tr>
</tbody>
</table>

**Profit Oil Sharing Mechanism**

- Az. State Profit Oil
  - 10% SOCAR Equity Share & 25% Profits Tax

- Azerbaijan Government share of revenue
- Contractor share of revenue
Indicative price sensitivity: ACG

Source: BP data – indicative data based on current assumptions (currently sanctioned projects only)
ACG PSC: Impact of higher oil prices
Lower production and reserve entitlement but much higher returns and NPV

Source: BP data – indicative data based on current assumptions for life of field; currently sanctioned projects only
Production profiles include sanctioned developments only: Chirag, Central Azeri, West Azeri, East Azeri, Deep-Water Gunashli (DWG) and DWG East manifold in ACG, and Shah Deniz Stage 1

Forward projections: BP data
BP Azerbaijan high margin barrels

2006 Barrel @ $70/bbl dated Brent (BP net basis)

Average Realisation $65.9/boe

Net income $35.1

Tax $13.7

Non-cash costs $9.5

Cash costs $7.6

Cash costs breakdown:
- Lifting costs $1.0
- M&T costs $4.9
- Other cash costs $1.7

Net income:
- Tax $9.5
- Non-cash costs $13.7
- Cash costs $7.6

Total: $35.1