

BP in Nova Scotia

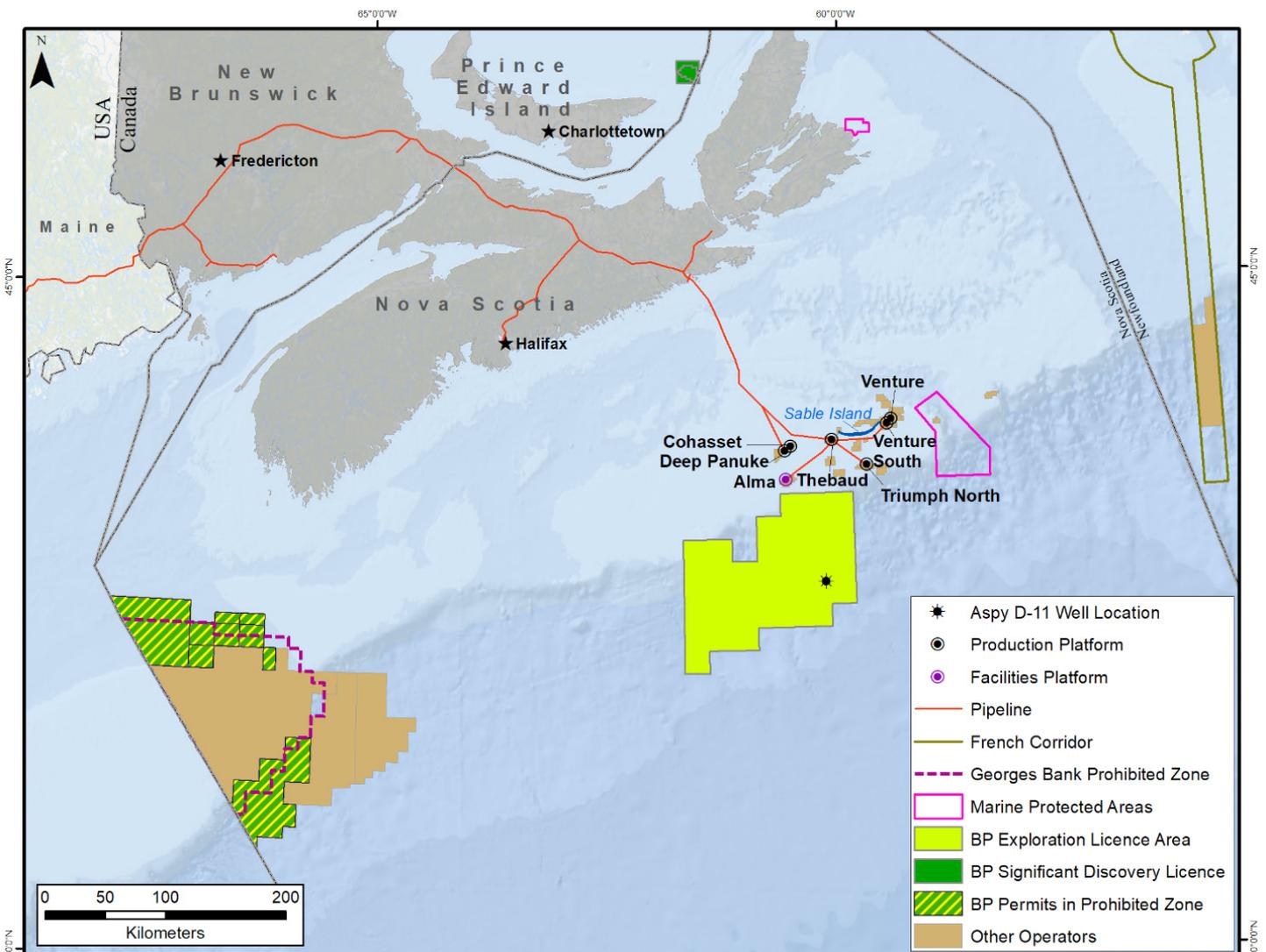


UPDATE: May 2018

Scotian Basin Exploration Project- Project Overview

BP Canada Energy Group ULC (BP) is drilling the Aspy D-11 exploration well in 2,777 metres water depth, approximately 330 kilometres southeast of Halifax, Nova Scotia. The well location is approximately 125 kilometres from both Sable Island and the Gully Marine Protected Area. BP has contracted the *West Aquarius* semi-submersible drilling rig, operated by Seadrill, to drill the well. After obtaining the necessary authorizations, drilling commenced in April 2018. Platform supply vessels (PSVs) are used to re-supply the *West Aquarius* with equipment and supplies and collect

applicable waste for onshore disposal. The PSVs transit to and from a supply base in Halifax Harbour. In addition, a specially-equipped standby vessel remains near the *West Aquarius* at all times to provide operational assistance (e.g. monitor a safety exclusion zone) and emergency response support as needed. Helicopters are used to transport crew and light materials to the *West Aquarius* and for emergency evacuation if needed. The helicopter fleet base is located at Halifax Stanfield International Airport.



Regulatory Timeline

In August 2015, BP submitted a Project Description to the Canadian Environmental Assessment Agency (the Agency) to initiate a screening process to determine if an environmental assessment (EA) would be required for the Scotian Basin Exploration Project under the Canadian Environmental Assessment Act, 2012. Following a public comment period, the Agency determined an EA would be required and issued draft Environmental Impact Statement guidelines for public comment. Final Guidelines were issued by the Agency in November 2015 and BP prepared an Environmental Impact Statement in accordance with these guidelines, which was posted for public comment in November 2016. Following several information requests to BP for additional information, the Agency released their draft EA Report for public comment in November 2017, along with proposed conditions should the project be allowed to proceed.

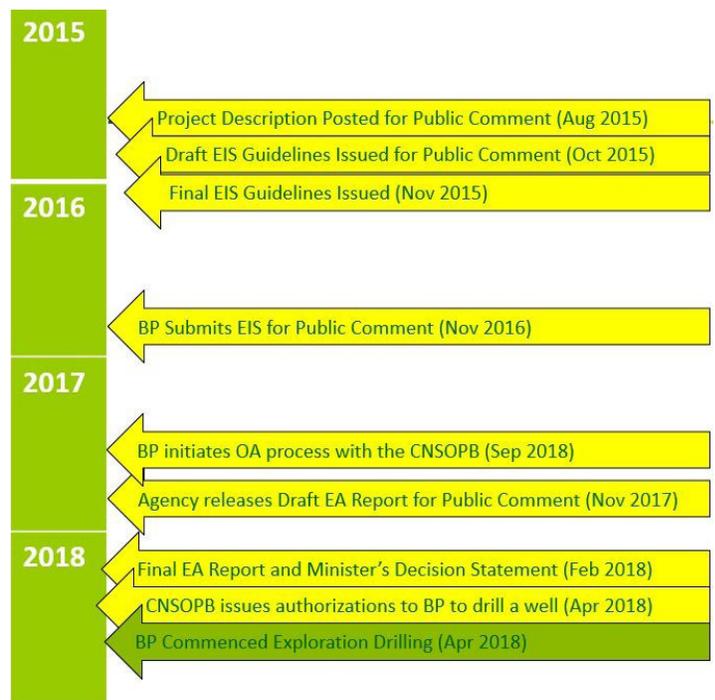
On February 1, 2018 the Minister of Environment and Climate Change Canada issued a Decision Statement indicating the Scotian Basin Exploration Drilling Project can proceed subject to conditions contained in the Decision Statement and other applicable authorizations and permits. The record of documents for public participation and additional information can be found on the Canadian Environmental Assessment Registry at <http://www.ceaa-acee.gc.ca/050/evaluations/proj/80109?culture=en-CA>.

BP also required an Operations Authorization and an Approval to Drill a Well from the Canada-Nova Scotia Offshore Petroleum Board (CNSOPB). An Operations Authorization application was formally submitted to the CNSOPB on September 21, 2017. CNSOPB approvals were granted in April 2018 and BP commenced drilling operations shortly thereafter. Additional project information can be found on the CNSOPB website at <https://www.cnsopb.ns.ca/offshore-activity/offshore-projects/scotian-basin-exploration-drilling-project>.

Well Drilling and Abandonment

BP estimates the drilling program at the Aspy D-11 well will take less than 120 days. Once the well has been drilled to total depth and a vertical seismic profiling (VSP) survey has been conducted (approximately one day), the well will be plugged and abandoned. BP does not intend to conduct any well flow testing (no planned flaring). BP has obtained regulatory approval to leave the wellhead in place on the seafloor. Once the well has been sealed with permanent

barriers, the blowout preventer is removed and the only infrastructure left on the seafloor will be the wellhead (approximately 1.5 metres to 3.7 metres in height with a permanent footprint on the seafloor of approximately 1 m²). The location of the wellhead will be published on nautical charts. Given the water depths of the location (2,777 metres) and lack of bottom contact fishing at this water depth, there are no predicted interactions with fishing activities.



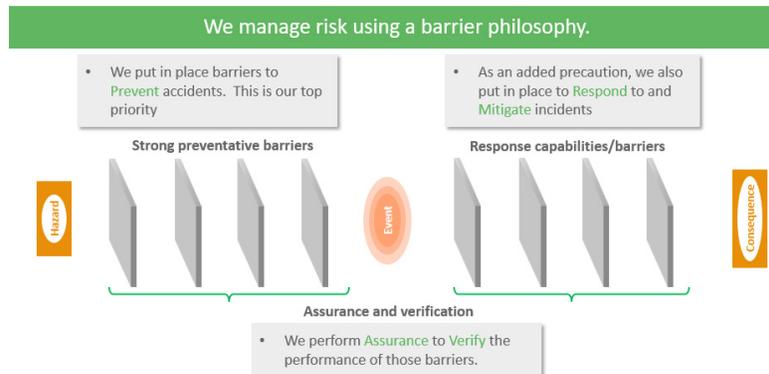
Well Control and Spill Response Planning

BP's goals are clear: no accidents, no harm to people, and no damage to the environment. BP's intent is to conduct a safe drilling program maintaining well control throughout its duration and prevent well control incidents from occurring in the first instance. BP's Global Monitoring Center is providing round-the-clock support for the Nova Scotia drilling operations including identifying potential well control situations. In the unlikely event of a loss of well control, several strategies would be implemented to shut-in, cap, or contain the well to stop the flow of hydrocarbons. This may include direct intervention on the blowout preventer, installing a capping stack and/or drilling a relief well. Many of these strategies would be implemented at the same time as spill response.

BP's response philosophy is to (over) respond to an incident and its potential. BP's Oil Spill Response Strategy involves using a combination of different response techniques at different times and in different locations. Decisions on when, where and how these tactics will be used in a response are informed by a Spill Impact Mitigation Assessment (SIMA). The SIMA is a tool that can be used to help evaluate scientific and policy related inputs to assess benefits/drawbacks of spill response tools and arrive at reasoned decisions as to which response tool(s) should be

used under a particular set (or range) of circumstances with the goal of minimizing overall harm if a spill has occurred. A copy of the Project SIMA and the Spill Response Plan are available on BP's website (www.bp.com/novascotia). The actual strategy/tactics employed during a response will be dependent on the specific circumstances and conditions at the time of the incident and will be informed by an incident-specific, expedited SIMA process. Stakeholder and Indigenous input, including traditional knowledge and input on ecological and socio-economic priorities for response would be coordinated through an incident command system process.

Many spill prevention and response capabilities evolved considerably in the last decade including improvements to blowout preventers and the development of capping stacks. BP has implemented measures aimed at further reducing risk across our global drilling activities including: strengthening contractor management, improving assurance on blowout preventers, well control, pressure-testing for well integrity, emergency systems, cement testing, rig audit and verification, and personnel competence. BP continues to implement improvements across our drilling operations and share learnings throughout the industry.



Consultation and Engagement

BP recognizes the potential for drilling program operations to interact with Indigenous and non-Indigenous fishing activities. A Fisheries Communication Plan has been developed to facilitate two-way communication between BP and Indigenous groups and fisheries stakeholders. Regular operational updates are emailed to designated fisheries and Indigenous group representatives, from mobilization of the drilling rig through to well abandonment and demobilization. The Fisheries Communication Plan also includes procedures

for emergency response communications in the unlikely event of a spill or significant event.

Additional consultation and engagement is also being conducted with Indigenous groups, particularly with regard to environmental follow-up programs that BP is conducting to verify the accuracy of predictions made during the EA process as it pertains to fish and fish habitat, marine mammals and sea turtles, and migratory birds.

How to Contact Us

We believe communication is key to building and maintaining relationships within the communities where we operate. If you have questions, comments or concerns, please contact us.

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