



Business Update

1st half 2018 results

Performance (end of 1H2018)

Production

• ACG	
— oil (mb/d)	596
— oil (mmte)	15
• SD	
— gas (bcm)	5
— condensate (mmte)	1.1

Opex (\$ million)

• ACG	236
• BTC	61
• SD	250
• SCP	18

Capex (\$ million)

• ACG	552
• BTC	13
• SD	798
• SCP	241

1Q2018 Highlights

- ACG completed 6 oil producer wells and two water injectors; total oil production from ACG since start has reached 3.4 billion barrels.
- Total production from Shah Deniz since start is about 94 billion standard cubic metres of gas and about 23 million tonnes of condensate.
- The Shah Deniz 2 and South Caucasus Pipeline Expansion (SCPX) system entered the start-up phase with the official inauguration event held at the Sangachal Terminal on 29 May 2018.
- Commercial gas deliveries to Turkey from the Shah Deniz 2 development project commenced as planned on 30 June 2018.
- Over 24,000 people were involved at peak in Shah Deniz 2 and SCPX activities in Azerbaijan.
- Planning for the exploration wells drilling in the selected prospective areas in Shallow Water Absheron Peninsula (SWAP) is ongoing.

Shah Deniz 2 and SCPX

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

- First commercial deliveries to Turkey commenced on 30 June 2018

16bcma expansion of SCP:

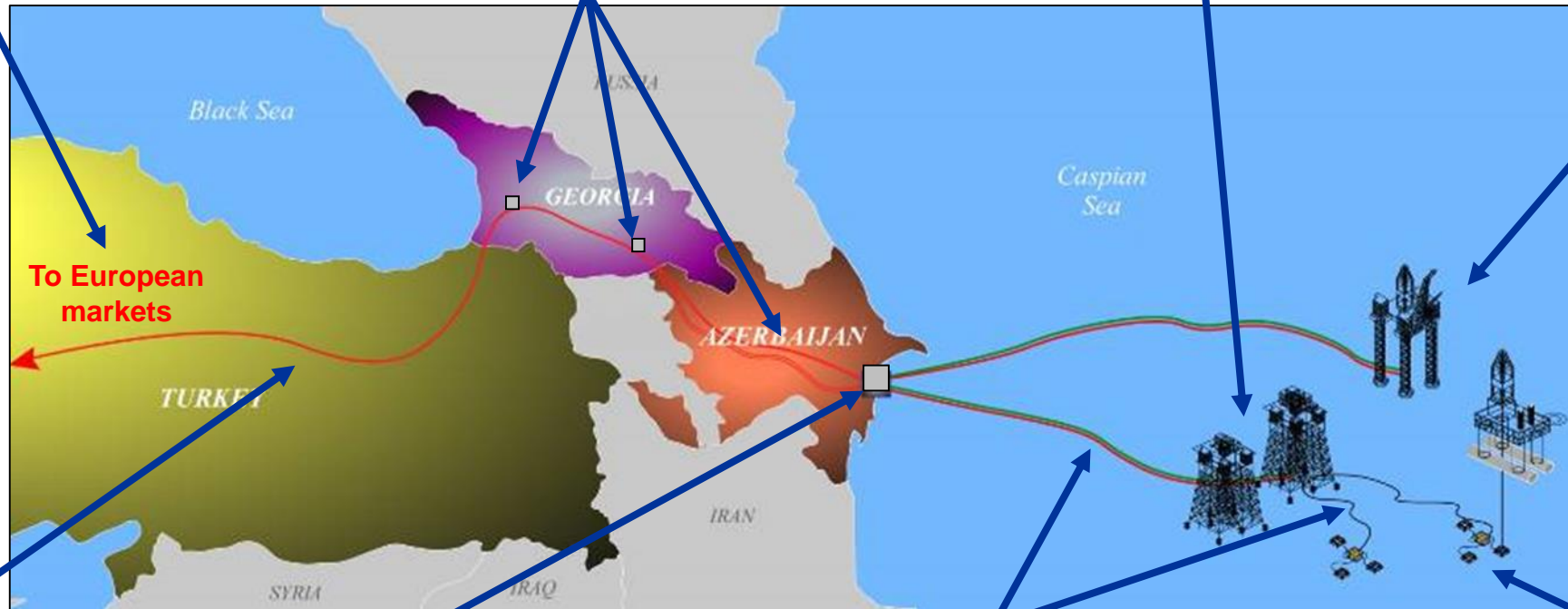
- new SCPX 48" loop in Azerbaijan/Georgia
- 2 new compressor stations in Georgia
- Started up on 30 June 2018 with first commercial deliveries to Turkey

Two new bridge-linked platforms:

- Completed and installed offshore in 2017

Existing (Alpha) platform 1H2018 production:

- Gas: 5 bscm
- Condensate: 1.1 mln tons



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

New gas and condensate processing facilities with export gas compression at Sangachal officially inaugurated on 29 May 2018 and now operational

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

26 subsea wells to be drilled and completed with two semi-submersible rigs:

- 14 wells already drilled
- Four wells completed on the North Flank
- Four wells completed on the West Flank

Shah Deniz Bravo facilities



Subsea Construction Vessel 'Khankendi'

Shah Deniz Bravo platforms

Expanded Sangachal terminal



Shah Deniz 2 / SCPX official inauguration at the Sangachal terminal



Shah Deniz 2 first commercial deliveries to Turkey commenced on 30 June 2018



Shah Deniz Bravo platforms



Sangachal terminal

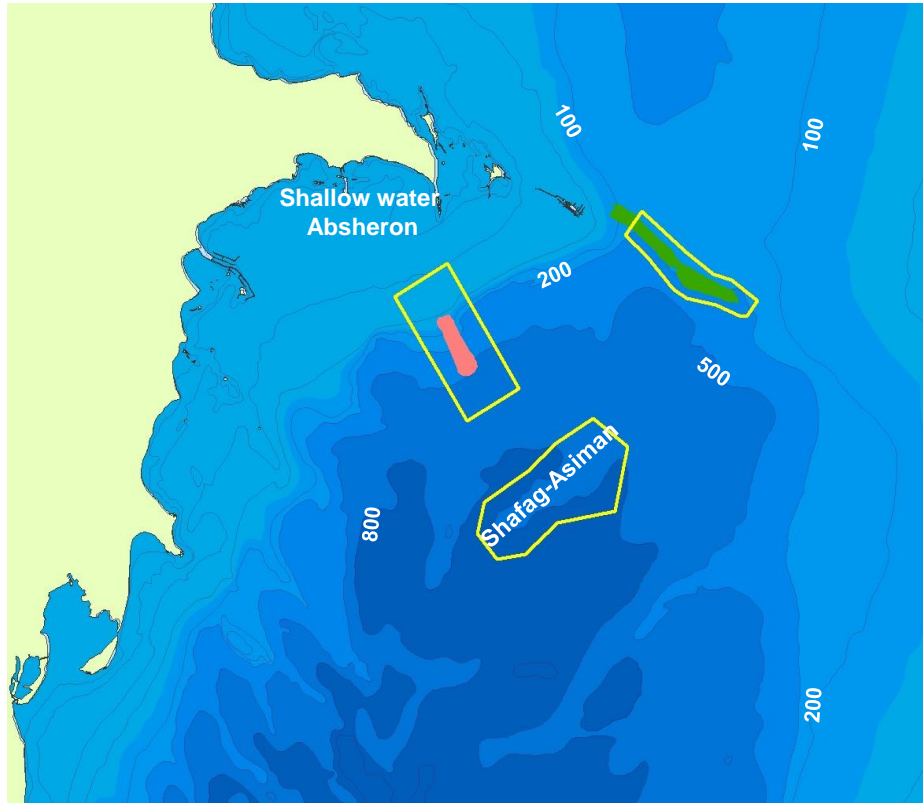


SCPX construction



TANAP construction

Exploration opportunities



Shallow Water Absheron Peninsula (SWAP)

- South of the Absheron Peninsula
- Water depth: up to 40m
- PSA signed in December 2014
- 2D seismic survey completed in December 2015
- 3D seismic survey completed in December 2016 using BP's advanced, proprietary Independent Simultaneous Source with Nodes (ISSN™) technology.
- More than 1300 square kilometres of 3D data recorded
- Interpretation and processing of the 3D data completed in 4Q 2017
- A Notice of Prospectivity signed with SOCAR, planning continues for the first exploration well

Shafag-Asiman

- 60km from Shah Deniz; 145km from the Sangachal terminal
- Water depth: 600-800m
- PSA signed in October 2010
- 3D seismic acquisition conducted
- Data processing completed in 2014
- Interpretation of the seismic dataset completed
- Planning for the first exploration well continues

Local content and social initiatives in 1H2018

National contractors/suppliers (Azerbaijan-Georgia-Turkey region) ¹	Number	Spend (\$ million)	
Small and medium enterprises	230	326	} 38% of total third party expenditure
State-owned companies	41	34	
Joint ventures with national partners	17	342	
In-country spend with foreign suppliers		417	
Total in-country spend ²		1119	

1. National supplier expenditure is updated twice a year. This data is for the 1H 2018.

2. This amount represents BP's direct spend with national suppliers and indirect (subcontracted) spend on national labour/services/materials in contracts with international suppliers working in the region

Social initiatives in Azerbaijan (\$ thousand disbursed)

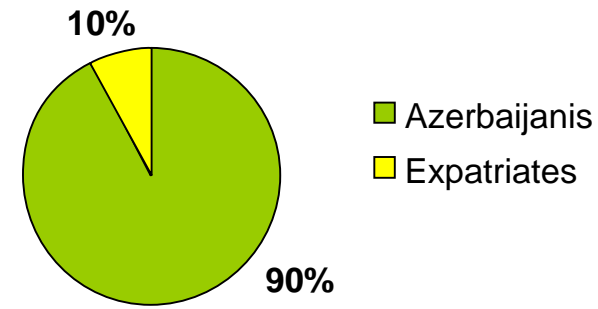
BP & co-venturers in BP-operated projects	1,606
BP100%	700
Total	2,306



Employment of Azerbaijani nationals

- 2,669 Azerbaijanis directly employed by BP (including fixed-term employees)
- 90% of professionals in Azerbaijan comprised of national employees

Permanent professional employees in Azerbaijan



Major social investment initiatives

- The enterprise development programme -support for building local entrepreneurship capacities and business development;
- Support for building local capabilities - the School of Project Management; upgrading agricultural vocational education; support for the establishment of effective migration services management;
- Capacity-building, awareness raising and infrastructure improvement programmes for communities; new opportunities for income generation and small business development in communities; employment opportunities for disabled people; development of agricultural skills and occupations;
- Support for education through local universities, schools and kindergartens - a new Big Data Research Centre; new IT curriculum for secondary schools; business education for engineering students; support for 11th grade students' preparations for university admission; English language for communities;
- Partnership with the National Olympic and Paralympic Committees to support national sport development; support for national teams and a group of selected athletes;
- Support for cultural legacy programmes - full documentary videos about Garabagh horses, the jazz virtuoso Vagif Mustafazade, the last session of the Democratic Republic's Parliament; publication of research works on Tabriz miniature art, Y.V. Chamanzaminli and his novel "Ali and Nino", the founders of the first Democratic Republic in the East.

