



1H 2010 results

Business Update

1H 2010 performance

	<u>2010 annual plan</u>	<u>1H 2010 actual</u>
Safety (DAFWCf)	0.03	0.018
Production		
✓ ACG		
– oil (mbd)	854	827.6
– oil (mmtpa)	42.1	20.2
✓ SD		
– gas (bcma)	7.6	3.6
– condensate (mmtpa)	2.0	1.0
Opex, \$m		
✓ ACG	587	189.7
✓ SD	177.8	81.3
Capex, \$m		
✓ ACG	1,584	774
✓ BTC	69	13.4
✓ SD	604.8	162.2
✓ SCPC	12.7	4.9

2010 highlights

- ✓ SDA-06 spudded 25 February
- ✓ COP sanctioned 9 March
- ✓ CA new wells delivery activity resumed 7 April
- ✓ COP pre-drilling programme commenced 4 June
- ✓ COP six key contracts awarded end of June
- ✓ COP pre-drilling template and 4 pin piles safely installed 21 June
- ✓ BTC 1200th tanker lifted 5 July
- ✓ Shafag and Asiman basic commercial principles signed 6 July
- ✓ BTC achieved 1.057mln barrels per day throughput (highest to date) 21 July .

1H 2010 local content and social initiatives in Azerbaijan

Azerbaijan oil & gas revenue

- In 2009 total State revenue was over **\$11.7bn** from BP operated projects
- In 2010 at \$60 per barrel total State revenue will be approximately **\$11.4bn** from BP operated projects

Local Contractors/Suppliers

	<u>Number:</u>	<u>1H 2010 Spend (\$m):</u>	
✓ SMEs	193	67	} 39% of third party spend
✓ State-owned companies	35	14	
✓ JVs with Azerbaijani partners	19	148	
✓ In-country spend with Foreign Suppliers		230	
Total in-country spend		459	

▪ Social initiatives (\$m)

	1Q disbursed:	2Q disbursed:
✓ ACG	0.35	0.26
✓ Shah Deniz	0.24	0.05
✓ BTC/SCP	0.69	0.46
✓ BP100	0.08	0.5
Total	1.36	1.27
Total for 1H		2.63



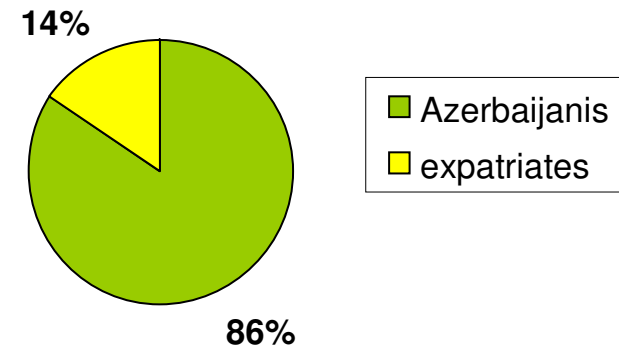
1H 2010 employment of Azerbaijani nationals

✓ 2,051 Azerbaijanis directly employed by BP

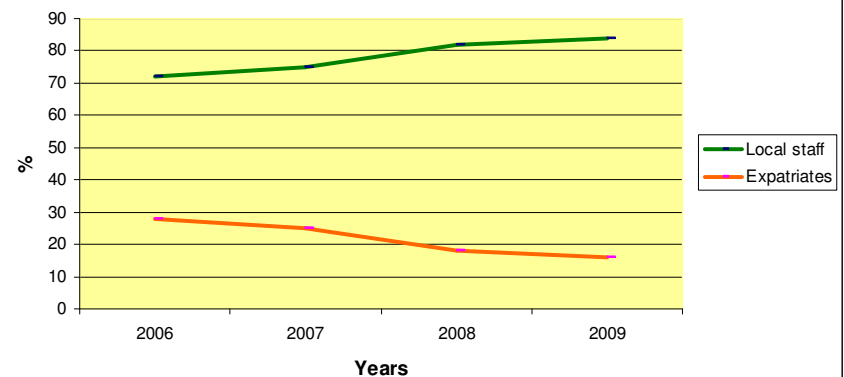
✓ 86% of permanent professionals in Azerbaijan comprised of national employees



Permanent professional employees in Azerbaijan (1H 2010)



Permanent professional employees in Azerbaijan (2009)



Major social initiatives of 2010

- ✓ Supplier Finance Facility
- ✓ Enterprise Development and Training Programme
- ✓ Microfinance Lending Programmes
- ✓ Macroeconomic advisory and business enabling environment projects
- ✓ Community social infrastructure improvement and capacity building projects (along BTC/SCP and Baku corridor)
- ✓ 2010 Oil and Gas Undergraduate Scholarship programme
- ✓ Geosciences and Engineering speaker Series initiative
- ✓ Support for education through the Qafqaz University
- ✓ Business journalism training programme

