



Business Update

2010 full year results

2010 performance results

2010 actual

Safety (DAFWCf)

0.009

Production

✓ ACG

– oil (mbd)

823.1

– oil (mmtpa)

40.6

✓ SD

– gas (bcma)

6.9

– condensate (mmtpa)

1.9

Opex, \$m

✓ ACG

426

✓ SD

170.4

Capex, \$m

✓ ACG

1,648

✓ BTC

34.3

✓ SD

389.6

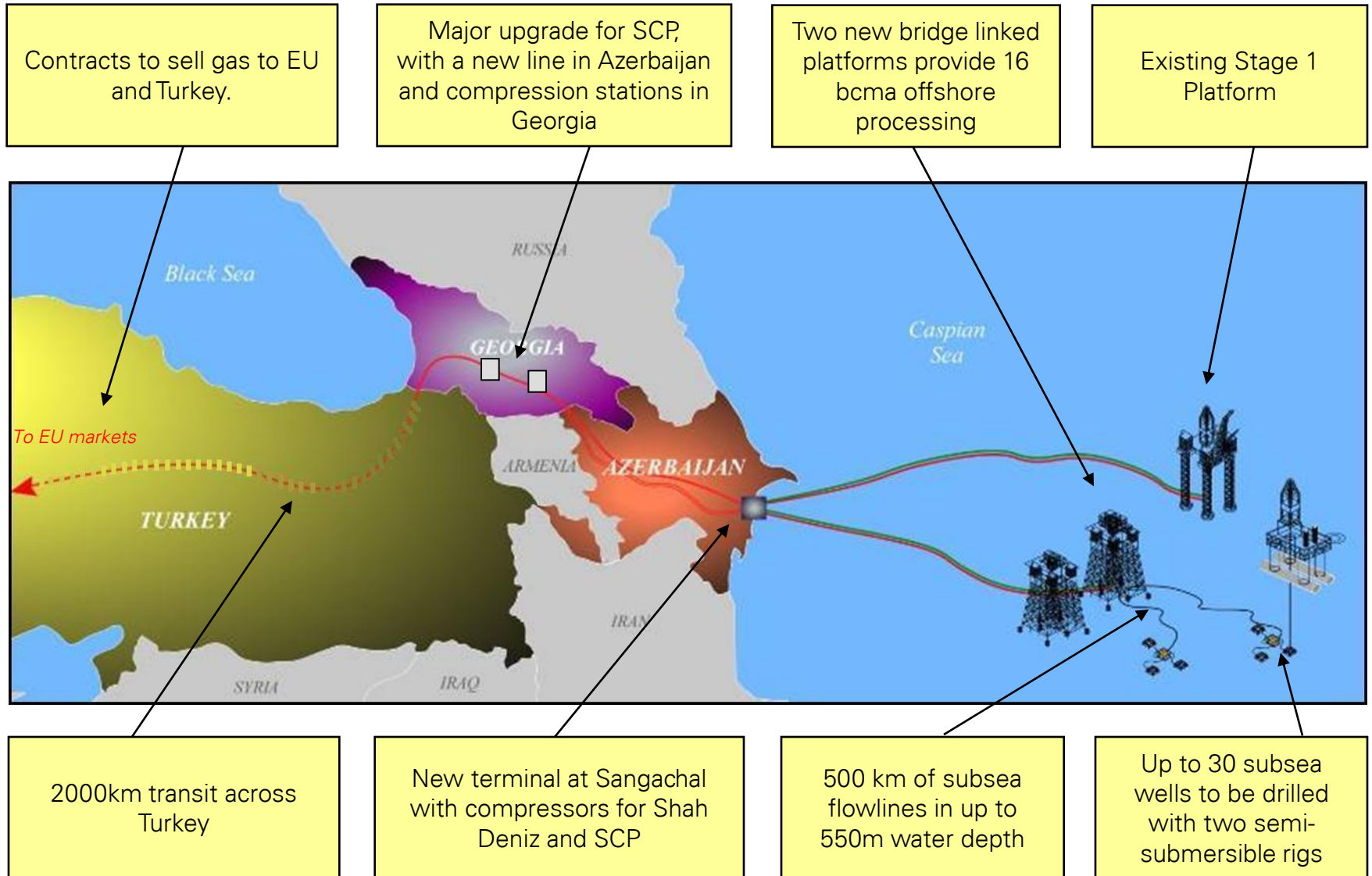
✓ SCPC

10

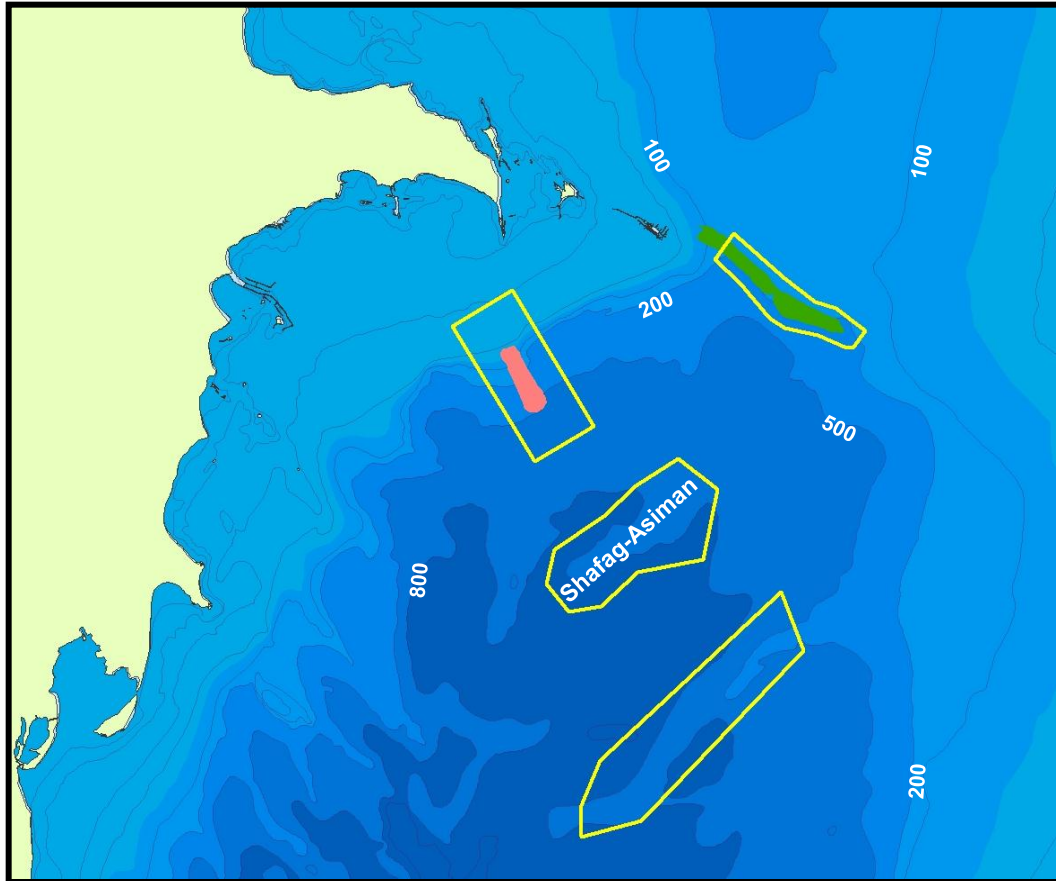
2010 highlights

- | | |
|--|---------------------------|
| ✓ SDA-06 spudded | February |
| ✓ COP sanctioned | March |
| ✓ CA new wells delivery activity resumed | April |
| ✓ COP pre-drilling programme commenced | April |
| ✓ COP pre-drilling template and 4 pin piles safely installed | June |
| ✓ COP deck and drilling facility fabrication commenced at ATA yard | July |
| ✓ 1.057 mln bpd throughput (highest to date) achieved by BTC | July |
| ✓ SDX-06 spudded | July |
| ✓ Part of Devon interest acquisition in ACG by BP completed | August |
| ✓ BTC carried one billionth barrel of crude oil | September |
| ✓ Shafag - Asiman PSA signed | October |
| ✓ COP jacket fabrication commenced at BDJF | November |
| ✓ the first major equipment packages delivered to Baku | November |
| ✓ a new plate rolling machine put into service at BDJF | November |
| ✓ COP 11 key contracts awarded | June, 2010 –January, 2011 |

Shah Deniz full field development – *concept and planned activities*



Shafag Asiman Exploration PSA



Shafag Asiman

- Water Depth: 600m–800 m
- 60 km from Shah Deniz;
145 km from Sangachal Terminal
- Deep (7000m) reservoirs
- Expected very high subsurface pressures.

Exploration

- 3D Seismic acquisition followed by Exploration Well. Timings determined by availability of infrastructure.

2010 Local content and social initiatives in Azerbaijan

Azerbaijan oil & gas revenue

➤ In 2010 total State revenue was about **\$14.7bn** from BP operated projects

Local Contractors/Suppliers	Number	2010 Spend (\$m)	
✓ SMEs	221	149	} 38% of third party spend (vs. 37% - at the end 2009)
✓ State-owned companies	41	28	
✓ JVs with Azerbaijani partners	20	366	
✓ In-country spend with Foreign Suppliers		486	
Total in-country spend		1,029	

2010 social initiatives (\$m disbursed)	Total
ACG	0.95
Shah Deniz	0.51
BTC/SCP	2.03
BP100	1.28
Total	4.77



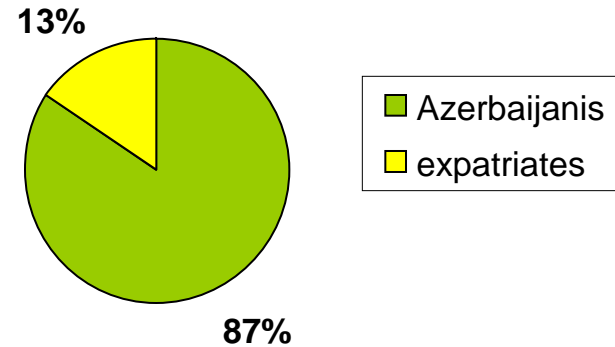
2010 Employment of Azerbaijani nationals

✓ 2,179 Azerbaijanis directly employed by BP

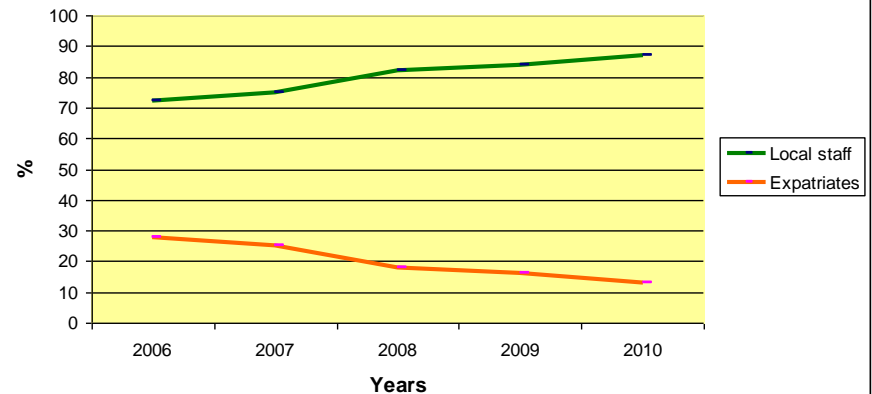
✓ 87% of permanent professionals in Azerbaijan comprised of national employees



Permanent professional employees in Azerbaijan (end 2010)



Permanent professional employees in Azerbaijan (end 2010)



Major social initiatives

- ✓ 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
- ✓ Support for publication of H.Z.Tagiyev book
- ✓ Support for research on the Azerbaijani novel “Ali and Nino”
- ✓ BP School Library project along BTC/SCP
- ✓ School of Project Management

