



Business Update

2011 3Q results

November 23, 2011

Performance results (actual) (3Q 2011)



Production

Opex (\$m)

Capex (\$m)

2011 Highlights



- COP construction activities progress on plan
- SDX-06 completed and SDX-07 spudded
- Shafag - Asiman PSA ratified by Parliament
- Proposals received by Shah Deniz from competing pipeline groups for evaluation
- IGA and other key SD gas export related agreements with Turkey signed
- 1700th tanker loaded at Ceyhan with BTC exported oil
- 3-D seismic survey for "Shafag-Asiman" commenced
- A total of 1.8 bn barrels of oil produced by ACG (end of July)
- 1 trillion standard cubic feet of total gas production achieved by Shah Deniz (early October)

Shah Deniz full field development – concept and planned activities



Contracts to sell gas to EU and Turkey

Two new bridge linked platforms provide 16 bcma offshore processing

Existing Stage 1 Platform



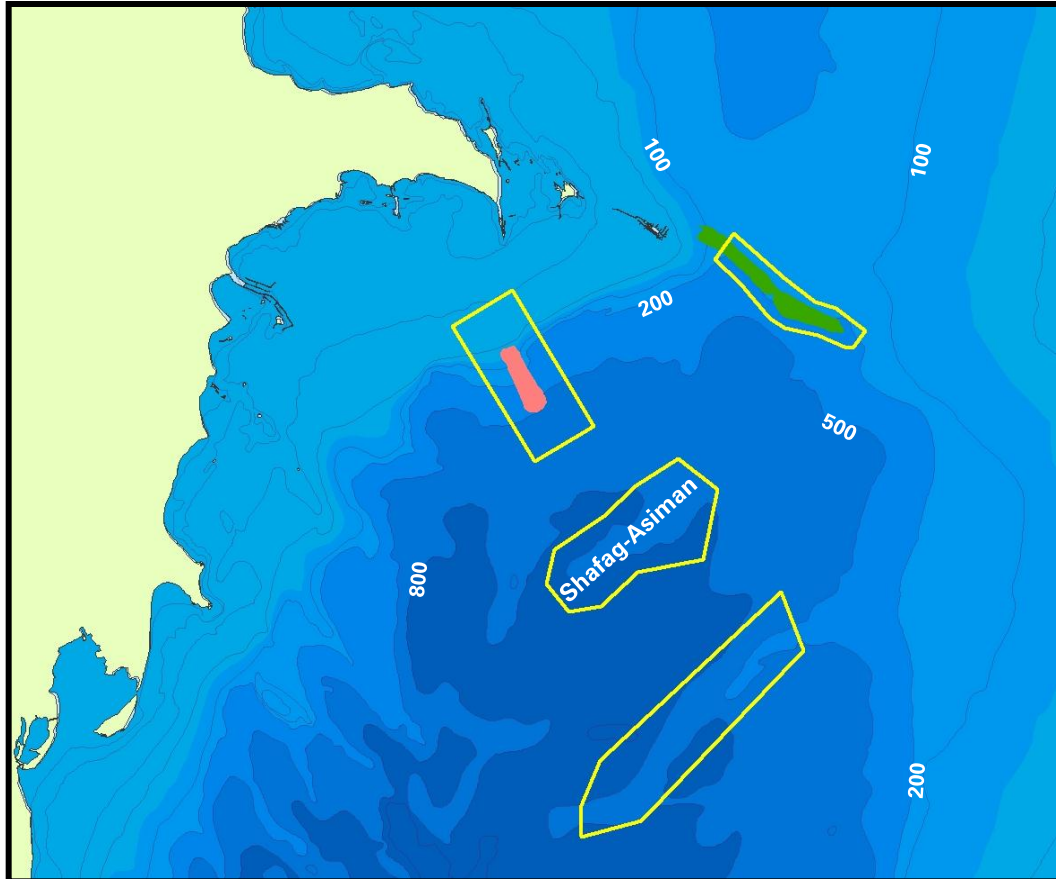
2000 km transit across Turkey

New terminal at Sangachal with compressors for Shah Deniz and SCP

500 km of subsea flowlines in up to 550m water depth

Up to 30 subsea wells to be drilled with two semi-submersible rigs

Shafag-Asiman exploration



Shafag-Asiman

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

Exploration

- 3D Seismic acquisition started in November 2011
- Exploration Well, timing of which to be determined by availability of infrastructure

Local content and social initiatives in Azerbaijan (3Q YTD 2011)



Local contractors/suppliers	Number	Spend (\$m)	
SMEs	188	192	} 37% of third party spend
State-owned companies	23	24	
JVs with Azerbaijani partners	16	324	
In-country spend with foreign suppliers		389	
Total in-country spend		929	

Social initiatives	
(\$m disbursed)	
ACG	0.61
Shah Deniz	0.40
BTC/SCP	1.36
BP100	0.63
Total	3.00

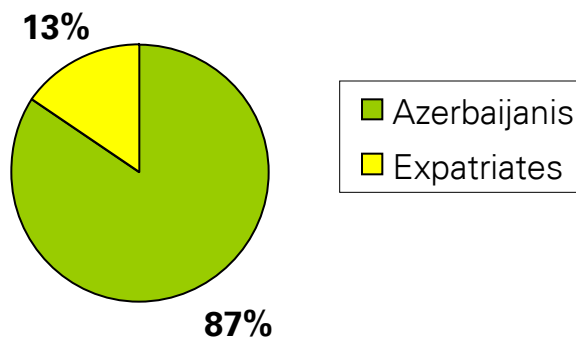


Employment of Azerbaijani nationals (3Q YTD 2011)

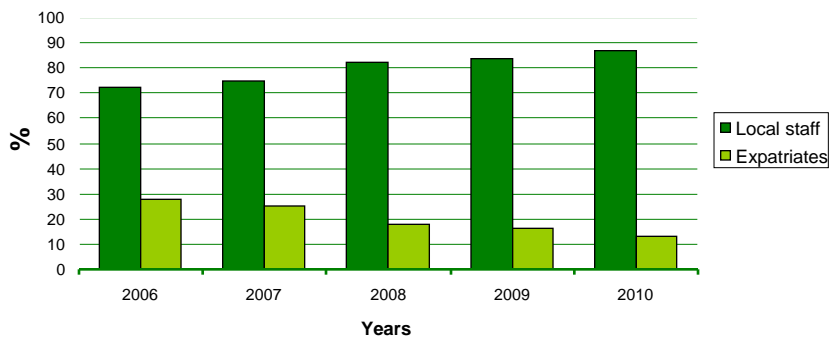


- 2,297 Azerbaijanis directly employed by BP
- 87% of permanent professionals in Azerbaijan comprised of national employees

**Permanent professional employees in Azerbaijan
(3Q 2011)**



**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)
- Oil and Gas Undergraduate Scholarship programme and Annual Bursary Awards
- Support for education through the Qafqaz University
- School of Project Management
- BP School Library project along BTC/SCP
- Business journalism training programme
- Support for publication of H.Z.Tagiyev book and research on the Azerbaijani novel "Ali and Nino"
- Geosciences and Engineering Speaker Series initiative
- "Meet the Buyer" event in support of local market development

