



# Business Update

2011 results

# Performance results (2011 actual)



## Production



## Opex (\$m)



## Capex (\$m)

# 2011 Highlights



- COP construction activities progress on plan
- A total of 9 wells delivered in ACG and SD in 2011
- Shafag - Asiman PSA ratified by Parliament
- Evaluation of gas export proposals by Shah Deniz commenced
- IGA and other key SD gas export related agreements with Turkey signed
- BTC achieved safe transportation of 180 million tonnes (total) of crude oil to Ceyhan
- “Shafag-Asiman” conducted the first 3-D seismic acquisition
- A total of 1.9 bn barrels of oil produced by ACG
- 1 trillion standard cubic feet of total gas production achieved by Shah Deniz

# 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



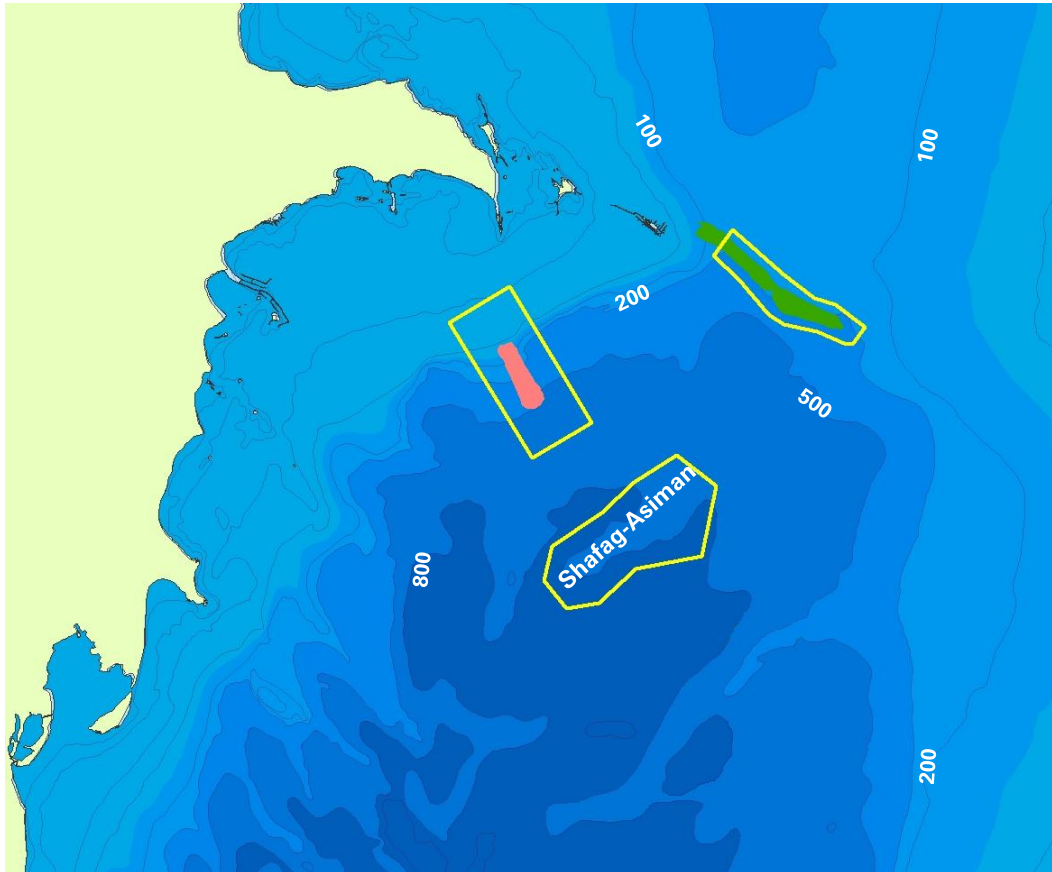
2000 km transit across Turkey

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

## Exploration

- 3D seismic acquisition conducted
- Exploration well, timing of which to be determined by availability of infrastructure

# Local content and social initiatives in Azerbaijan (end 2011)



<b>Local contractors/suppliers</b>	<b>Number</b>	<b>Spend (\$m)</b>	
SMEs	204	281	} 35% of third party spend
State-owned companies	25	37	
JVs with Azerbaijani partners	13	378	
In-country spend with foreign suppliers		511	
<b>Total in-country spend</b>		<b>1,208</b>	

<b>Social initiatives</b>	
(\$m disbursed)	
ACG	0.76
Shah Deniz	0.51
BTC/SCP	1.67
BP100	0.18
<b>Total</b>	<b>3.12</b>



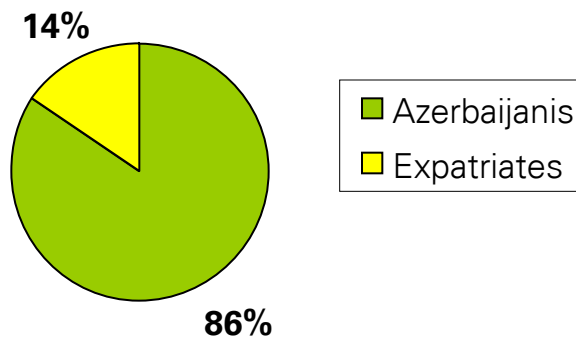
# Employment of Azerbaijani nationals (end 2011)



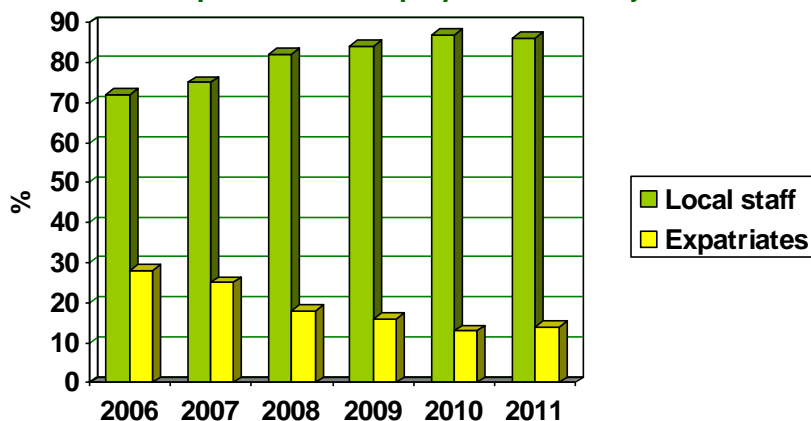
- 2,367 Azerbaijanis directly employed by BP
- 86% of permanent professionals in Azerbaijan comprised of national employees



Permanent professional employees in Azerbaijan



Permanent professional employees in Azerbaijan



# Major social initiatives



- Community social infrastructure improvement and capacity building projects (along BTC/SCP and Baku corridor)
- Agricultural development programmes for communities along BTC/SCP
- Enhancing local governance and environmental initiatives along BTC/SCP
- Supplier finance facility
- Establishment of a web-based Caspian Information Centre (CIC)
- “Meet the Buyer’ event project in support of local market development
- School of Project Management
- The Enterprise development and training programme
- Macroeconomic advisory and business enabling environment projects
- Microfinance lending programmes
- Oil and Gas undergraduate scholarship programme and annual bursary awards
- Support for education through Qafqaz University – 2 new departments and 5 laboratories opened
- Business journalism training programme
- BP School Library project along BTC/SCP
- Support for publication of H.Z.Tagiyev book and research on the Azerbaijani novel “Ali and Nino”
- Geosciences and engineering speaker series initiative

