



# Business Update

1Q 2012

# Performance results ( 1Q 2012 actual)



## Production



## Opex (\$m)



## Capex (\$m)

# 2012 up to date Highlights



- COP construction activities 62% complete and progressing on plan
- Shah Deniz FFD selected a single pipeline option to Italy with a single pipeline to Central Europe decision to be made end of June
- Shah Deniz Stage 2 approved the decision to commence FEED
- BTC loaded the 1,870th tanker at Ceyhan
- “Shafag-Asiman” completed the first 3D seismic acquisition
- ACG achieved a total of 2.0 bn barrels of oil production milestone
- Shah Deniz achieved 2.0 bn cubic metres of gas production during 1Q

# 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



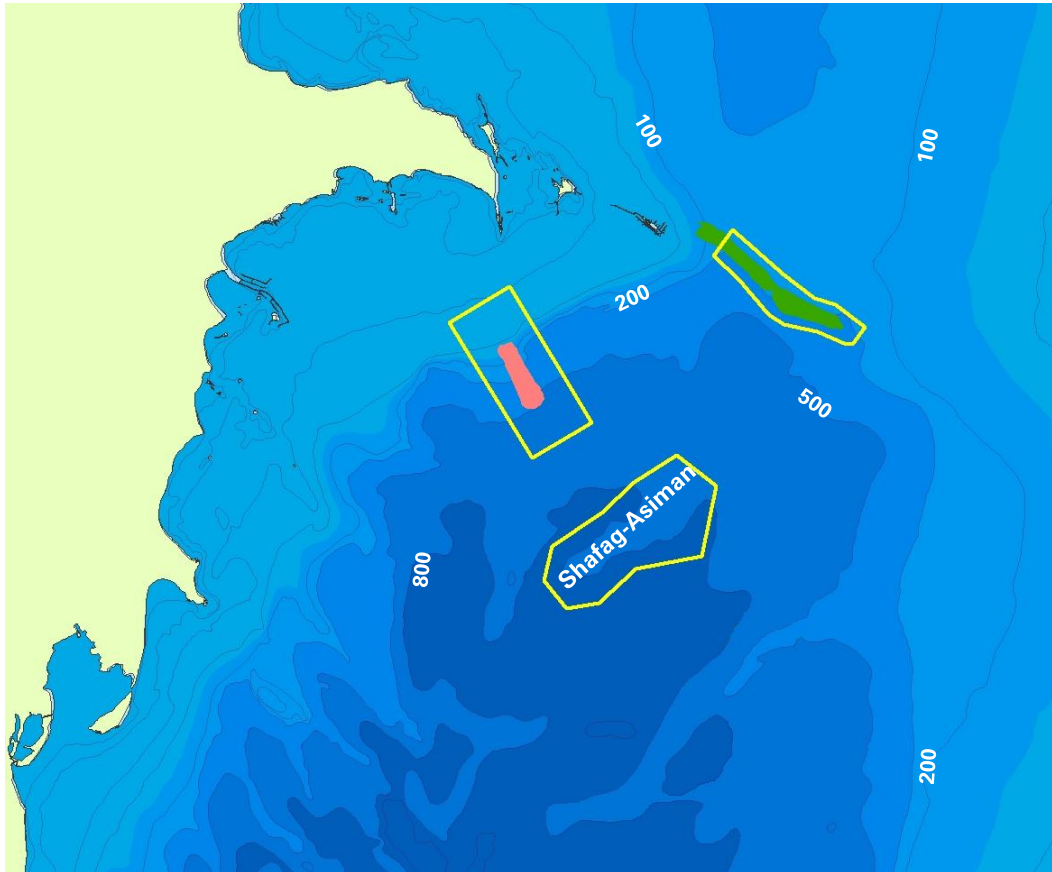
2000 km transit across Turkey

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
- 60km from Shah Deniz; 145km 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 (1Q 2012)



<b>Local contractors/suppliers</b>	<b>Number</b>	<b>Spend (\$m)</b>	
SMEs	159	108	} 40% of third party spend
State-owned companies	19	10	
JVs with Azerbaijani partners	12	138	
In-country spend with foreign suppliers		137	
<b>Total in-country spend</b>		<b>393</b>	

<b>Social initiatives</b>	
(\$m disbursed)	
ACG	0.08
Shah Deniz	0.04
BTC/SCP	0.09
BP100	0.23
<b>Total</b>	<b>0.44</b>



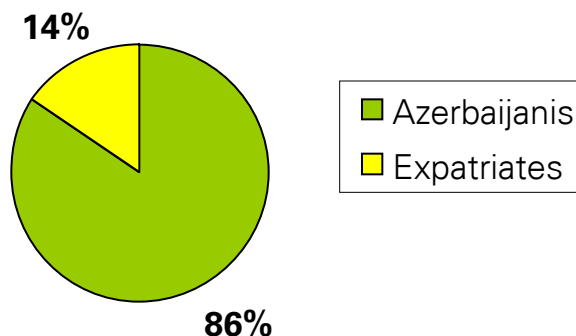
# Employment of Azerbaijani nationals (1Q 2012)



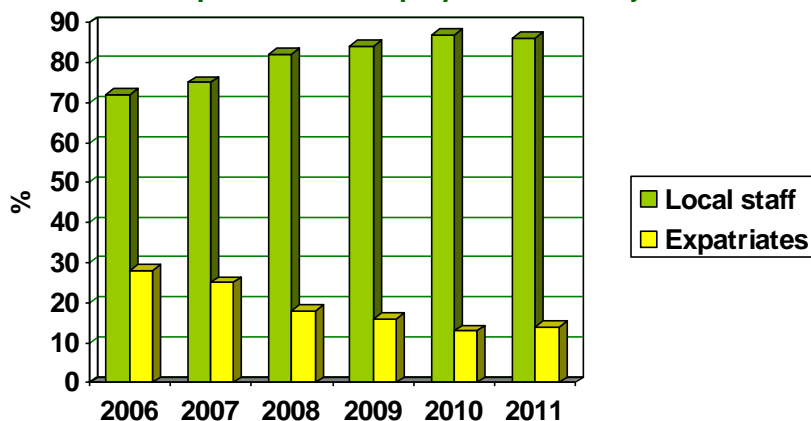
- 2,492 Azerbaijanis directly employed by BP
- 86% of permanent professionals in Azerbaijan comprised of national employees



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

