



Business Update

2017 full year results

Performance (end of 2017)

Production

• ACG	
– oil (mb/d)	588.0
– oil (mmte)	29
• SD	
– gas (bcm)	10.2
– condensate (mmte)	2.4

Opex (\$ million)

• ACG	456
• BTC	133
• SD	451
• SCP	29

Capex (\$ million)

• ACG	1,176
• BTC	29
• SD	2,884
• SCP	784

2017 highlights

- ACG completed 17 oil producer wells and 3 water injection wells - total oil production from ACG since start is about 3.3 billion barrels.
- The amended and restated ACG production sharing agreement was signed on 14 September and was ratified by the Parliament of Azerbaijan in October.
- Shah Deniz 1 continued plateau production - total production from Shah Deniz since start is more than 89 billion standard cubic metres of gas and more than 22 million tonnes of condensate.
- The Shah Deniz 2 and South Caucasus Pipeline Expansion (SCPX) projects continued to progress to schedule - over 99% of first gas scope is completed.
- Subsea export lines completed - the wells, subsea infrastructure, the Shah Deniz 2 platform and the Sangachal terminal are now interconnected for the first time.
- Over 24,000 people involved at peak in Shah Deniz 2 and SCPX activities in Azerbaijan.
- The processing and interpretation of 3D seismic data for the Shallow Water Absheron Peninsula (SWAP) completed. A Notice of Prospectivity signed with SOCAR

Shah Deniz 2 and SCPX

Contracts to sell gas to Turkey (6bcma) and Europe (10bcma)

- First commercial deliveries to Turkey expected in 2018

16bcma expansion of SCP:

- new SCPX 48" loop in Azerbaijan/Georgia
- 2 new compressor stations in Georgia
- Over 99% of first gas scope is completed

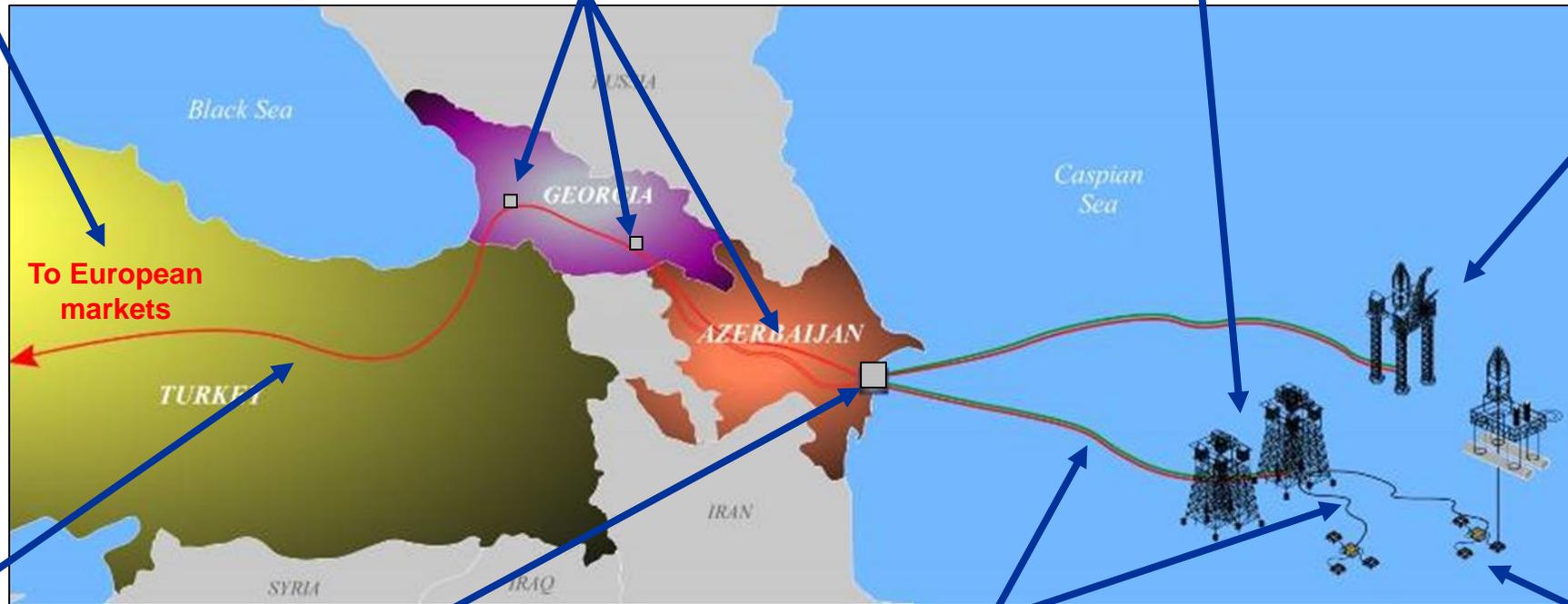
Two new bridge-linked platforms:

- Completed and installed offshore in 2017
- Commissioning ongoing

Existing (Alpha) platform

2017 production:

- Gas: 10.2 bscm
- Condensate: 2.4 mln tons



1,900km TANAP pipeline (not operated by BP) across Turkey

New gas and condensate processing facilities with export gas compression at Sangachal:

- Terminal expansion is mechanically complete with commissioning over 90%

360km of pipelines and 125km of subsea flow-lines in up to 550m water depth.

- Pipelines and flowlines for first gas completed

26 subsea wells to be drilled and completed with two semi-submersible rigs:

- 14 wells already drilled
- Four wells completed on the North Flank
- Three wells completed on the West Flank

Shah Deniz 2 / SCPX in pictures



Subsea Construction Vessel 'Khankendi'

Shah Deniz 2 (Bravo) platforms

Shah Deniz 2 / SCPX in pictures



Sangachal terminal

Shah Deniz 2 / SCPX in pictures

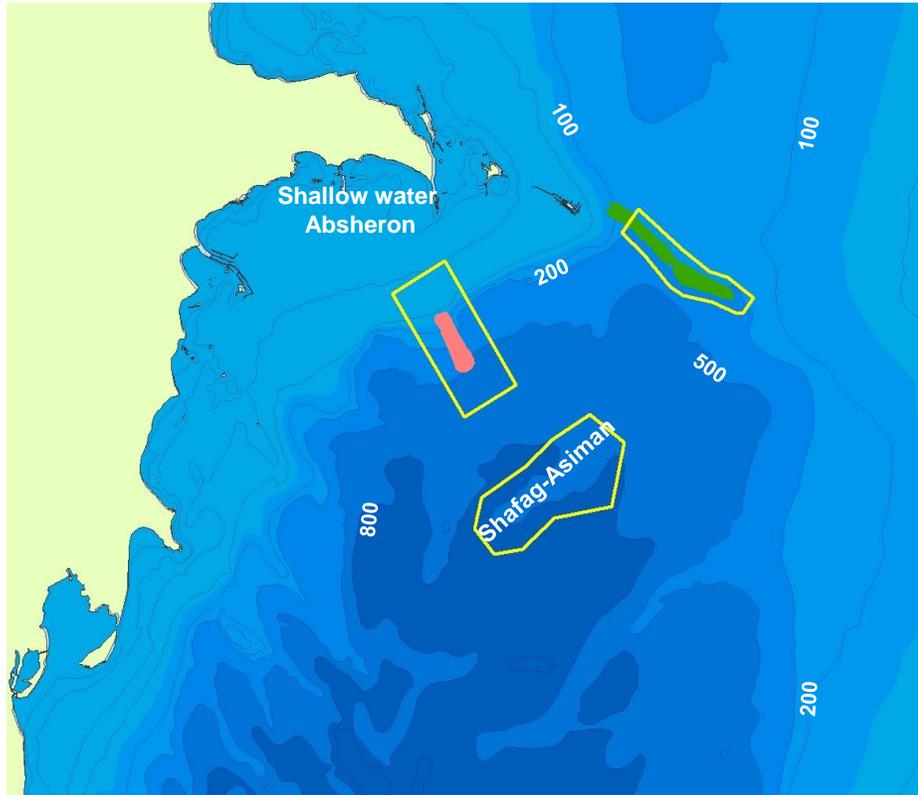


SCPX construction



Metering Station (Area 81) in Georgia

Exploration opportunities



Shallow Water Absheron Peninsula (SWAP)

- South of the Absheron Peninsula
- Water depth: up to 40m
- PSA signed in December 2014
- 2D seismic survey completed in December 2015
- 3D seismic survey completed in December 2016 using BP's advanced, proprietary Independent Simultaneous Source with Nodes (ISSN™) technology.
- More than 1300 square kilometres of 3D data recorded
- Interpretation and processing of the 3D data completed in 4Q 2017
- A Notice of Prospectivity signed with SOCAR, planning continues for the first exploration well

Shafag-Asiman

- 60km from Shah Deniz; 145km from the Sangachal terminal
- Water depth: 600-800m
- PSA signed in October 2010
- 3D seismic acquisition conducted
- Data processing completed in 2014
- Interpretation of the seismic dataset completed
- Planning for the first exploration well continues

Local content and social initiatives in 2017

National contractors/suppliers (Azerbaijan-Georgia-Turkey region) ¹	Number	Spend (\$ million)	
Small and medium enterprises	231	701	} 59% of total third party expenditure
State-owned companies	33	58	
Joint ventures with national partners	18	1017	
In-country spend with foreign suppliers		414	
Total in-country spend ²		2190	

1. National supplier expenditure is updated twice a year. This data is for the full year 2017.

2. This amount represents BP's direct spend with national suppliers and indirect (subcontracted) spend on national labour/services/materials in contracts with international suppliers working in the region

Social initiatives in Azerbaijan (\$ thousand disbursed)	
AÇG	579.9
Shah Deniz	375.5
BTC/SCP	1,393.0
BP100%	3,378.9
Total	5,727.3

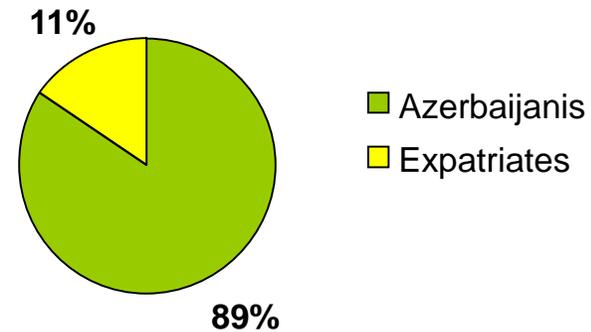


Employment of Azerbaijani nationals

- 2,448 Azerbaijanis directly employed by BP (including fixed-term employees); in addition, 265 national employees work for Projects)
- 89% of professionals in Azerbaijan comprised of national employees



Permanent professional employees in Azerbaijan



Major social investment initiatives

- The enterprise development programme -support for building local entrepreneurship capacities and business development;
- Support for building local capabilities - the School of Project Management; upgrading agricultural vocational education; support for the establishment of effective migration services management;
- Capacity-building, awareness raising and infrastructure improvement programmes for communities along the pipeline routes; development of agricultural skills and opportunities;
- Support for education through local universities, schools and kindergartens; Big Data Research Centre established at ADA;
- Partnership with the National Olympic and Paralympic Committees and support for the development of national teams and athletes; Official Partner of Baku 2017 Islamic Solidarity Games;
- Support for cultural legacy programmes - full documentary videos about Garabagh horses and the jazz virtuoso Vagif Mustafazade; publication of research works on Tabriz miniature art, Y.V. Chamanzaminli and his novel “Ali and Nino”.

