



Business Update

3rd quarter 2018 results

Performance (end of the 3-rd quarter of 2018)

Production

• ACG	
— oil (mb/d)	588
— oil (mmte)	22
• SD	
— gas (bcm)	8
— condensate (mmte)	1.8

Opex (\$ million)

• ACG	367
• BTC	87
• SD	418
• SCP	27

Capex (\$ million)

• ACG	825
• BTC	21
• SD	1,140
• SCP	308

2018 Highlights

- Total oil production from ACG since start is about 3.5 billion barrels. ACG completed 8 oil producer wells and 3 water injectors by the end of the third quarter of 2018.
- Total production from Shah Deniz since start is about 97 billion standard cubic metres of gas and about 24 million tonnes of condensate.
- The Shah Deniz 2 and South Caucasus Pipeline Expansion (SCPX) system was officially inaugurated at the Sangachal Terminal on 29 May 2018.
- Commercial gas deliveries to Turkey from the Shah Deniz 2 development project commenced as planned on 30 June 2018.
- Shah Deniz Bravo first production was achieved on 30 July 2018.
- 90% nationalization of BP's professional staff in Azerbaijan has been achieved.
- Planning for the first wells drilling on the exploration contract areas is ongoing.

Shah Deniz 2 and SCPX

Contracts to sell gas to Turkey (6bcm/a) and Europe (10bcm/a)

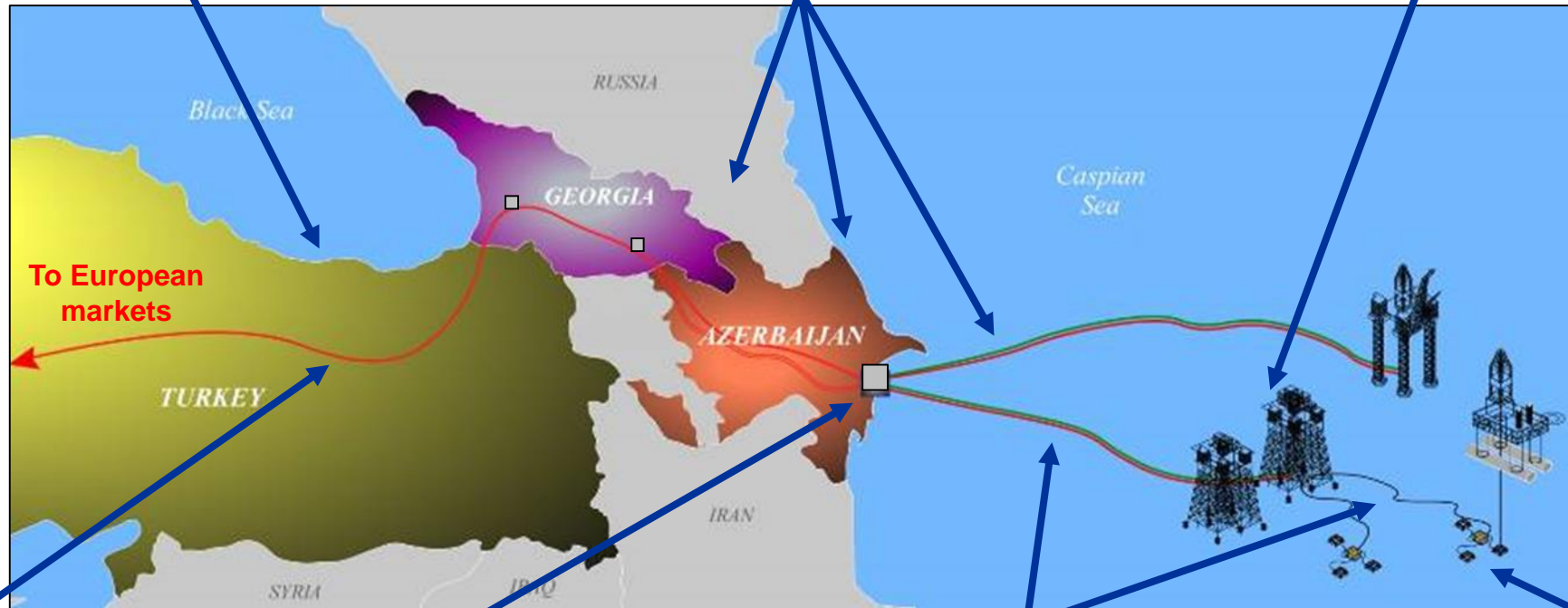
- First commercial deliveries to Turkey commenced on 30 June 2018

16bcm/a expansion of SCP:

- new SCPX 48" loop in Azerbaijan/Georgia
- 2 new compressor stations in Georgia
- Started up on 30 June 2018 with first commercial deliveries to Turkey

Two new bridge-linked platforms:

- First production achieved on 30 July 2018



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

New gas and condensate processing facilities with export gas compression at Sangachal officially inaugurated on 29 May 2018 and now operational

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

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

- 14 wells already drilled
- Completed 4 wells on the North Flank, 4 wells on the West Flank and 2 wells on the East Flank

Shah Deniz Bravo facilities



Subsea Construction Vessel 'Khankendi'

Shah Deniz Bravo platforms

Expanded Sangachal terminal



Shah Deniz 2 / SCPX official inauguration at the Sangachal terminal



Shah Deniz 2 first commercial deliveries to Turkey commenced on 30 June 2018



Shah Deniz Bravo platforms



Sangachal terminal

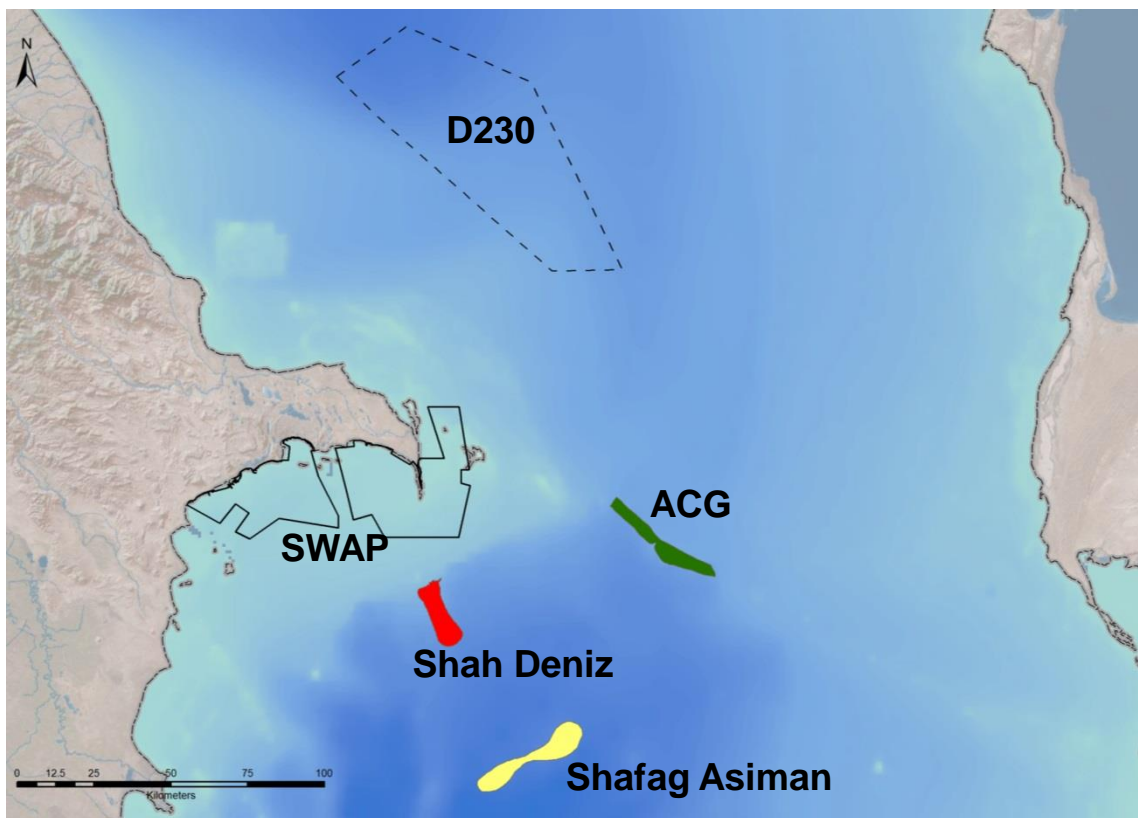


SCPX construction



TANAP construction

Exploration opportunities



Shallow Water Absheron Peninsula (SWAP)

- Water depth: up to 40m
- PSA signed in December 2014
- 3D seismic survey completed in December 2016 using BP's advanced, proprietary Independent Simultaneous Source with Nodes (ISSN™) technology.
- More than 1300 km² 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
- Interpretation of the seismic dataset completed
- Planning for the first exploration well continues

D230

- PSA signed in April 2018; a seismic survey planning ongoing

Gobustan

- BP assigned 61% participating interest in the existing PSA; an exploration well planned for 2019

Local content and social initiatives (end of the 3-rd quarter of 2018)

National contractors/suppliers (Azerbaijan-Georgia-Turkey region) ¹	Number	Spend (\$ million)	
Small and medium enterprises	230	326	} 38% of total third party expenditure
State-owned companies	41	34	
Joint ventures with national partners	17	342	
In-country spend with foreign suppliers		417	
Total in-country spend ²		1119	

1. National supplier expenditure is updated twice a year. This data is for the 1H 2018.

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)

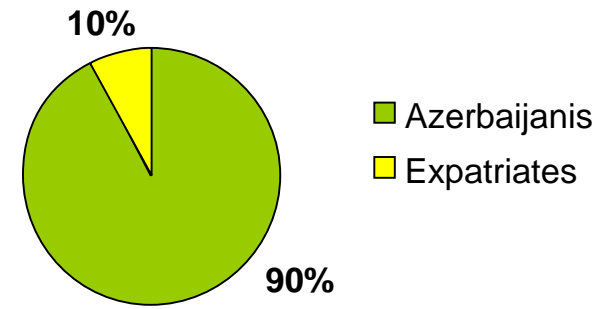
BP & co-venturers in BP-operated projects	2,474
BP100%	804
Total	3,278



Employment of Azerbaijani nationals

- 2,557 Azerbaijanis directly employed by BP (including fixed-term employees)
- 90% 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 - upgrading agricultural vocational education; support for the establishment of effective migration services management;
- Capacity-building, awareness raising and infrastructure improvement programmes for communities; new opportunities for income generation and small business development in communities; employment opportunities for disabled people; development of agricultural skills and occupations;
- Support for education through local universities, schools and kindergartens - a new Big Data Research Centre; new IT curriculum for secondary schools; business education for engineering students; support for 11th grade students' preparations for university admission; English language for communities;
- Partnership with the National Olympic and Paralympic Committees to support national sport development; support for national teams and a group of selected athletes;
- Support for cultural legacy programmes - full documentary videos about Garabagh horses, the jazz virtuoso Vagif Mustafazade, the last session of the Democratic Republic's Parliament; publication of research works on Tabriz miniature art, Y.V. Chamanzaminli and his novel "Ali and Nino", the founders of the first Democratic Republic in the East.

