



Business Update

3Q 2010 results

3Q YTD 2010 performance

	<u>2010 annual plan</u>	<u>3Q 2010 actual</u>
Safety (DAFWCf)	0.03	0.012
Production		
✓ ACG		
– oil (mbd)	854	835.1
– oil (mmtpa)	42.1	30.8
✓ SD		
– gas (bcma)	7.6	5.3
– condensate (mmtpa)	2.0	1.4
Opex, \$m		
✓ ACG	587	270
✓ SD	177.8	121
Capex, \$m		
✓ ACG	1,584	1,149
✓ BTC	69	20.1
✓ SD	604.8	251.1
✓ SCPC	12.7	6.9

2010 highlights

- | | |
|--|---------------|
| ✓ SDA-06 spudded | February |
| ✓ COP sanctioned | March |
| ✓ CA new wells delivery activity resumed | April |
| ✓ COP pre-drilling programme commenced | June |
| ✓ COP 8 key contracts awarded | June/November |
| ✓ COP pre-drilling template and 4 pin piles safely installed | June |
| ✓ COP deck, drilling facility and jacket fabrication commenced | July |
| ✓ 1.057 mln bpd throughput (highest to date) achieved by BTC | July |
| ✓ SDX-06 spudded | July |
| ✓ Part of Devon interest acquisition in ACG by BP completed | August |
| ✓ BTC 1300 th tanker lifted | September |
| ✓ Shafag and Asiman PSA signed | October |
| ✓ COP first major equipment packages delivered to Baku | October |

Local content and social initiatives in Azerbaijan

Azerbaijan oil & gas revenue

- In 2009 total State revenue was over **\$11.7bn** from BP operated projects
- In 2010 at **\$60** per barrel total State revenue will be approximately **\$11.4bn** from BP operated projects

Local Contractors/Suppliers

	Number	3Q 2010 Spend (\$m)	
✓ SMEs	212	110	} 39% of third party spend (vs. 37% - in 3Q 2009)
✓ State-owned companies	41	20	
✓ JVs with Azerbaijani partners	20	260	
✓ In-country spend with Foreign Suppliers		364	
Total in-country spend		754	

2010 social initiatives

(\$m disbursed)	1Q	2Q	3Q	3Q YTD totals
ACG	0.35	0.26	0.18	0.79
Shah Deniz	0.24	0.05	0.10	0.39
BTC/SCP	0.69	0.46	0.59	1.74
BP100	0.08	0.5	0.04	0.62
Total	1.36	1.27	0.91	3.54



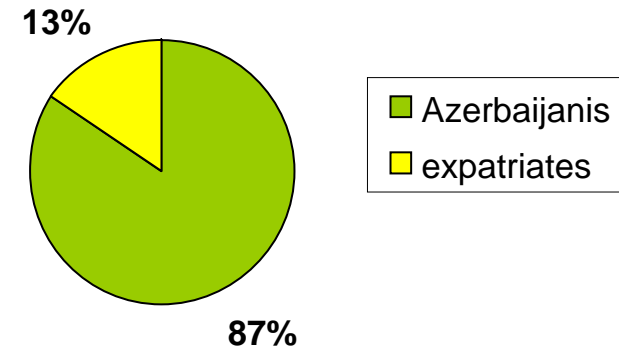
3Q 2010 employment of Azerbaijani nationals

✓ 2,127 Azerbaijanis directly employed by BP

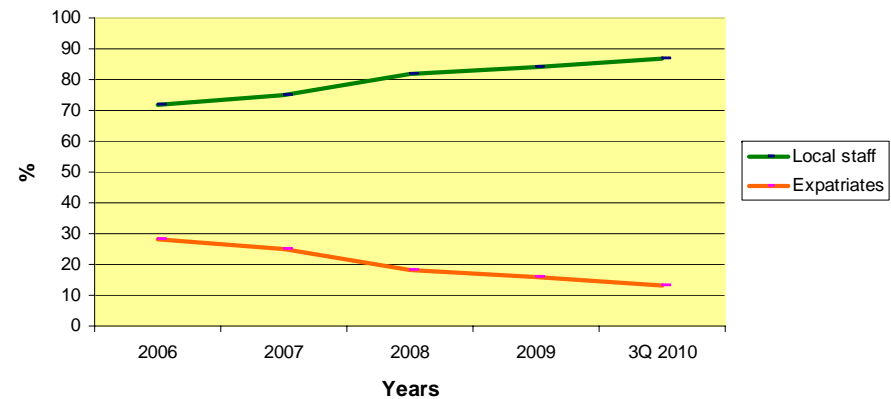
✓ 87% of permanent professionals in Azerbaijan comprised of national employees



Permanent professional employees in Azerbaijan (3Q 2010)



Permanent professional employees in Azerbaijan (2009)



Major social initiatives 2010

- ✓ 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)
- ✓ 2010 Oil and Gas Undergraduate Scholarship programme
- ✓ Geosciences and Engineering speaker Series initiative
- ✓ Support for education through the Qafqaz University
- ✓ Business journalism training programme
- ✓ Support for fundamental publication about H.Z.Tagiyev
- ✓ Support for research on who the author of the Azerbaijani novel “Ali and Nino” is
- ✓ BP School Library project along BTC/SCP



Shah Deniz full field development – concept and planned activities

