



Business Update

2016 full year results

Performance

Production

Opex (\$ million)

Capex (\$ billion)

2016 highlights

- ACG achieved a total of more than 3 billion barrels of oil production since start
- ACG delivered 15 oil producer wells, 7 water injection wells and 1 gas injection well
- Shah Deniz (SD) Stage 1 continued plateau production.
- Shah Deniz achieved a total of more than 78 billion standard cubic metres of gas and about 20 million tonnes of condensate production since start.
- The Shah Deniz Stage 2 (SD2) and South Caucasus Pipeline Expansion (SCPX) projects continued to progress to schedule - over 89% of work completed.
- SCPX mainline construction continued in Azerbaijan and Georgia
- Over 24,000 people involved at peak in SD2 and SCPX activities in Azerbaijan.
- 3D seismic acquisition programme for the Shallow Water Absheron Peninsula (SWAP) was safely and successfully completed in December 2016.

Shah Deniz Stage 2 and SCPX

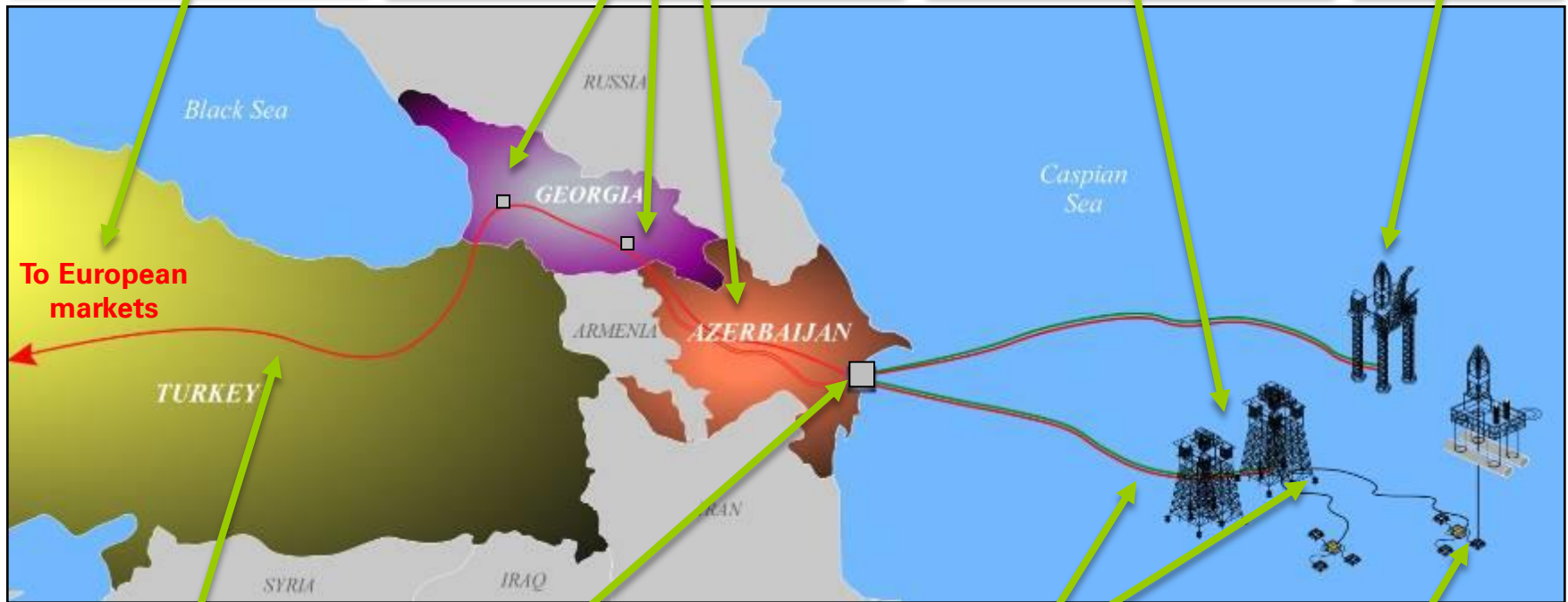
Contracts to sell gas to Turkey (6bcma) and Europe (10bcma)

16bcma upgrade of SCP:

- new SCPX 48" loop in Azerbaijan/Georgia
- 2 new compressor stations in Georgia

Two new bridge-linked platforms providing 16bcma offshore processing

Existing (Alpha) platform



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

New gas and condensate processing facilities with a compressor at Sangachal

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

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

Local content and social initiatives

Local contractors/suppliers (Azerbaijan-Georgia-Turkey region) ¹

	Number	Spend (\$ million)	
Small and medium enterprises	247	1178 ²	} 47% of total third party expenditure
State-owned companies	104	108	
Joint ventures with local partners	15	1442	
In-country spend with foreign suppliers		341	
Total in-country spend ³		3069	

1. The data on local suppliers is updated twice a year. This is the data for end of 4Q 2016.

2. This amount also includes expenditures with physical persons.

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

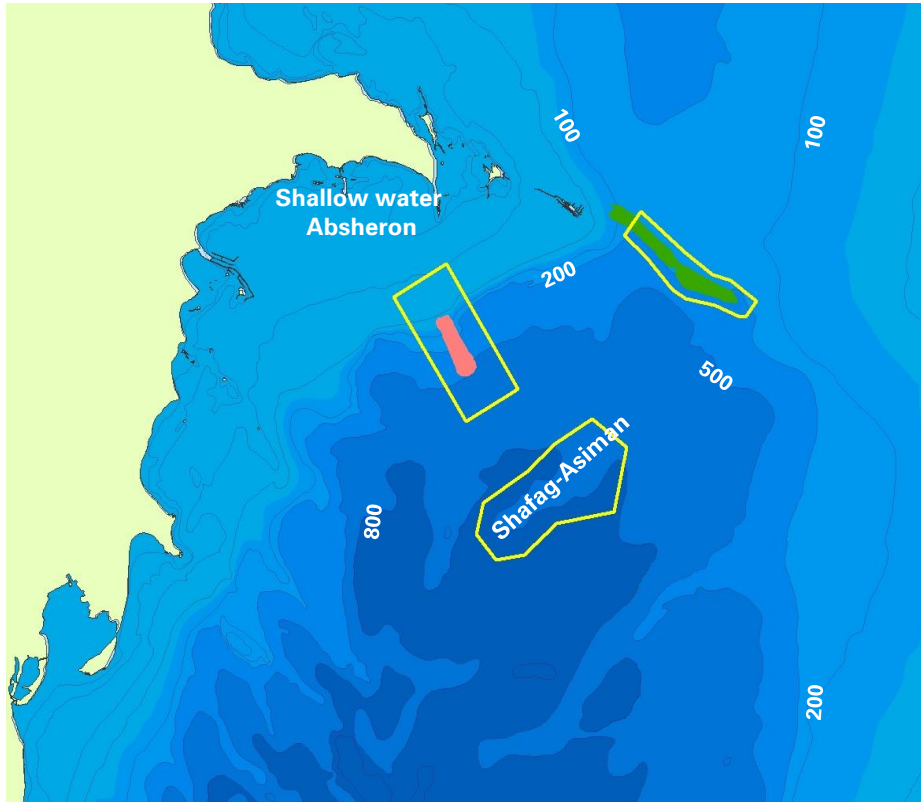
Social initiatives in Azerbaijan

(\$ thousand disbursed)

ACG	209.3
Shah Deniz	136.3
BTC/SCP	496.7
BP100	666.8
Total	1,509.1



Exploration opportunities



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 commenced

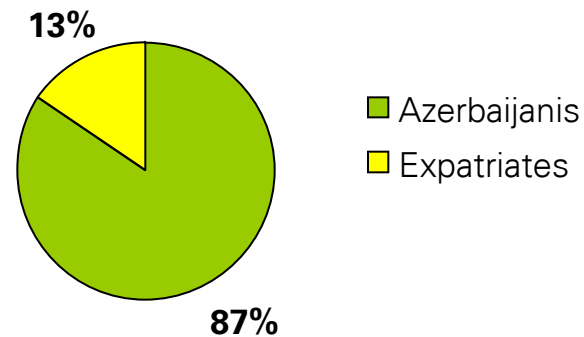
Shallow Water Absheron Peninsula (SWAP)

- South of the Absheron Peninsula
- Water depth: up to 40m
- PSA signed in December 2014 (ratified by the Parliament in April 2015)
- 2D seismic survey safely completed in December 2015
- 3D seismic survey programme commenced in May 2016 and completed in December using BP's advanced, proprietary Independent Simultaneous Source with Nodes (ISSN™) technology.
- More than 1300 square kilometers of 3D data recorded

Employment of Azerbaijani nationals

- 2,817 Azerbaijanis directly employed by BP
- 87% 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 capacities and business development
- Support for building local capabilities - the School of Project Management; training for communities at Gobustan Regional Training Centre; upgrading agricultural vocational training ; support for the establishment of effective migration management;
- Capacity-building, awareness raising and infrastructure improvement programmes for communities along the pipeline routes;
- Support for education through local universities, schools and kindergartens;
- Partnership with the National Olympic and Paralympic Committees and support for development of national teams and athletes;
- Support for cultural legacy programmes; full documentary videos about Garabagh horses and the jazz virtuoso Vagif Mustafazade.

