Business Update

2019 full year results

Performance (end of 2019)

Production	
ACG	
oil (mb/d)	535
oil (mmte)	26
SD	
gas (bcm)	16.8
condensate (mmte)	3.5

Opex ($ million)	
ACG	567
BTC	138
SD	544
SCP	48

Capex ($ million)	
ACG	1,476
BTC	44
SD	1,101
SCP	34

2019 Highlights – ACG operations

- On 26 December ACG achieved the **500 millionth tonne production** milestone.

- Total oil production from ACG since start is more than **3.7 billion barrels**.

- ACG completed 10 oil producer wells and one water injection well during the year.

Deepwater Gunashli platform

2019 Highlights – Shah Deniz operations

- Shah Deniz has produced about **117 billion cubic metres of gas** and more than **28 million tonnes of condensate** since start.

- Shah Deniz 2 achieved final acceptance of offshore and onshore facilities

- Shah Deniz Bravo production continued ramping up.

- The Khankendi vessel continued subsea installation activities.

Shah Deniz Bravo platform and Khankendi vessel

2019 Highlights – ACE project

- The next stage of development of ACG, including **the ACE platform**, was sanctioned in April.

- In 2019, the project awarded the main fabrication, marine and subsea contracts and started construction activities in July. These activities continued to ramp up through the year.

Future ACE platform
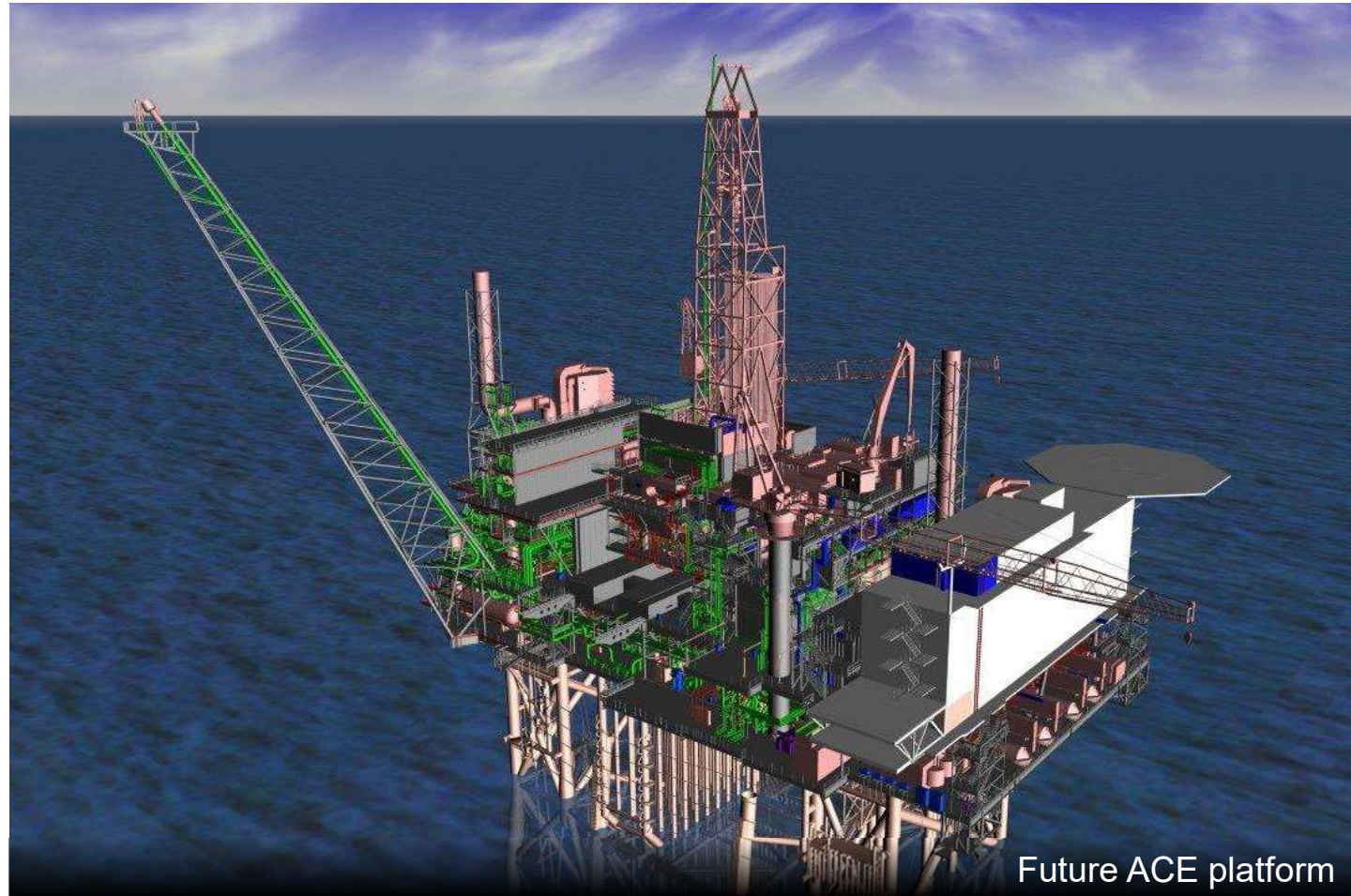
2019 Highlights – Sangachal terminal

- In 2019, the Sangachal terminal exported about **263 million barrels of oil** and **16.4 billion cubic metres of Shah Deniz gas**.

- The daily capacity of the terminal's processing systems is currently **1.2 million barrels of crude oil** and **100 million cubic metres of gas** (including 80 million cubic metres of Shah Deniz gas)

Sangachal terminal

Exploration highlights

Gilavar seismic vessel

- Planning continued for the first wells drilling on the Shafag-Asiman and SWAP exploration contract areas during the year.

- On 26 December, a 3D seismic acquisition programme commenced on the D230 exploration contract area using the Gilavar vessel.
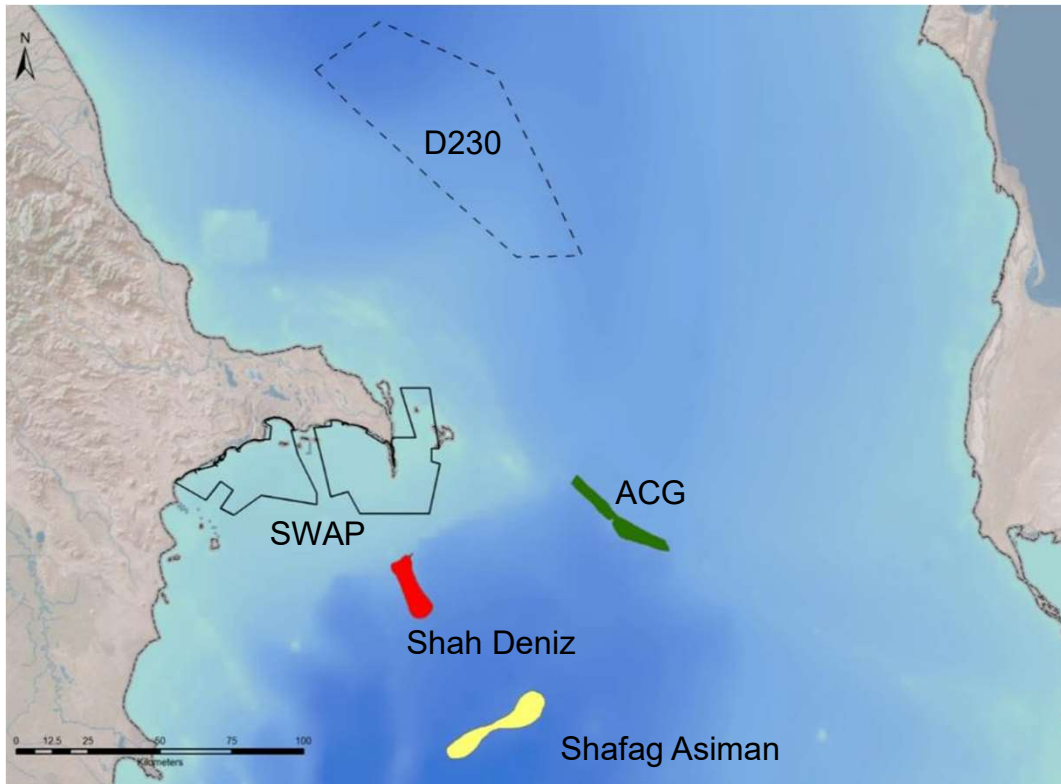
Exploration highlights – Shafag-Asiman

- On 13 January 2020, the first exploration well was spudded on the Shafag-Asiman contract area using the Heydar Aliyev drilling rig.

Heydar Aliyev drilling rig

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
- Interpretation of the seismic dataset completed
- First exploration well spudded in January 2020

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^{TM}) technology.
- More than 1300 km^2 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.
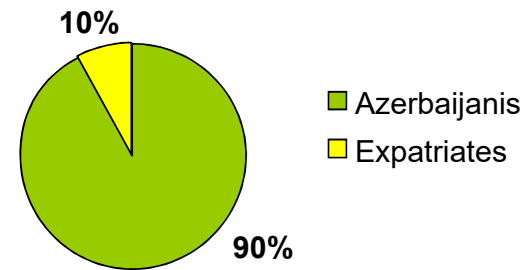
Block D230

- PSA signed in April 2018
- 3D seismic survey started in 4Q 2019

Employment of Azerbaijani nationals

- 2,534 Azerbaijanis directly employed by BP (including fixed-term employees)

- 90% of professionals in Azerbaijan comprised of national employees

Permanent professional employees in Azerbaijan

10%

90%

- ☐ Azerbaijanis
- ☐ Expatriates

Local content in 2019

National contractors/suppliers (Azerbaijan-Georgia-Turkey region)	Number	Spend ($ million)	
• Small and medium enterprises	234	292.4	
• State-owned companies	30	32.8	**50% of total third party expenditure**
• Joint ventures with national partners	16	589.0	
• In-country spend with foreign suppliers		570.8	
Total in-country spend [1]		**1485.1**	

1. 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
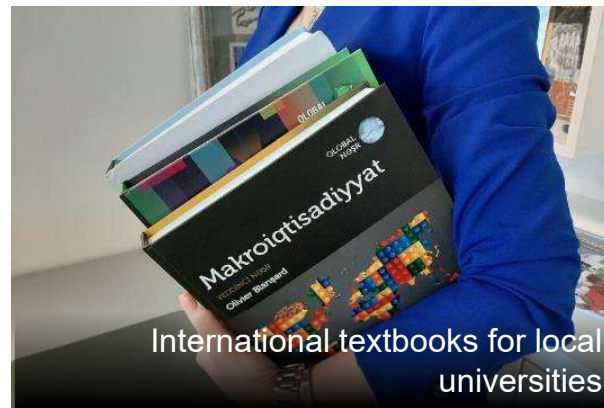
Social initiatives in 2019

Social initiatives in Azerbaijan
($ thousand disbursed)

BP and co-venturers in BP-operated projects	3,040
BP100%	1,204
Total	**4,244**

International textbooks for local universities

"Build Your Future" - educational project for children from disadvantaged families

Enhancing employment opportunities for people with disabilities

Developing local entrepreneurship - "Abad" project

Enhancing income opportunities for communities - "Sweet Gold" project