

# upstream **major projects**



a balanced portfolio of world class major projects underpins BP's growth into the next decade



Your attention is drawn to the fact that the information contained in this document was prepared as at 6<sup>th</sup> February 2007 (last revised 5<sup>th</sup> February 2008). Despite our efforts, at the time you read it, it may no longer be accurate, up to date, or applicable. You should read the terms of the Legal Notice to this website and in particular the section dealing with "Our liability to you" in respect of the information in this document and elsewhere on the site.



# contents

## Introduction

1.	Gulf of Mexico Deepwater	4
2.	Trinidad	7
3.	Angola	9
4.	Azerbaijan	12
5.	Asia Pacific	14
6.	Russia	17
7.	Major Projects in other regions	21



# upstream major projects

BP has long been known for its strong upstream business. Since the 1970s, we have built leadership positions in Alaska, the North Sea and in North America gas, three of the world's most prolific producing areas outside the control of state oil companies. In addition, we have strong incumbent positions in Egypt, Latin America, and the Middle East.

## build

In 1989, we set in place a strategy to create a long-term sustainable upstream business, delivering superior through-cycle returns by having a greater share of large, low cost oil and gas fields. This strategy remains unchanged today. In building our future, we have maintained a focused and disciplined approach to making portfolio choices from a rich opportunity set. That focus and choice has created new profit centres all having materiality and quality. This document includes descriptions of our plans for the major projects in these new profit centres, as well as those in our existing profit centres, most of which are BP operated.

## balancing risk

Aside from scale, the major project portfolio boasts product, technical and regional diversity. It is this diversity that enables BP to maintain a balanced approach to risk. Gas remains an important part of the production portfolio as new regional gas markets are being accessed. Technical challenges are being met and shared across deepwater basins. Innovative transportation solutions are being delivered in several areas with risk mitigation inherent in their scope. BP has the capacity to mobilise resources and talent across the regions to meet challenges and opportunities as they arise.

## performance

BP's current and historical leadership in many upstream activities is due to the successful execution of our strategy, which has resulted in a portfolio with assets of world scale and global breadth, and a high calibre organisation focused on performance delivery. BP is committed to the safe execution of its projects in line with our brand values.





# BP in the Gulf of Mexico Deepwater

BP began deepwater Gulf of Mexico operations in the mid 1980s. BP produces from twenty fields, including BP operated facilities at Pompano, Marlin, Horn Mountain, Na Kika, Holstein, Mad Dog and Atlantis. BP also operates a number of sub-sea developments including King, MC 764 and Nile. We have equity interest in a number of partner operated developments: Diana Hoover, Mars, Ursa, Crosby, Europa, Mica, and Ram Powell.

Execution of our exploration strategy has delivered excellent results, yielding a strong portfolio of large, high quality development projects. Focused exploration will continue across our portfolio of more than 550 leases.

BP currently has six operated projects under development in the Gulf of Mexico: Thunder Horse, Tubular Bells, Isabela, Puma, Dorado and King South.

In addition, BP has equity interest in the following partner operated projects, which are under development: Great White and Ursa / Princess Waterflood.

The BP Pipeline operated Mardi Gras transportation system consists of five major oil and gas pipelines, designed to serve fields in the Mississippi Canyon (Na Kika, Thunder Horse) and Southern Green Canyon (Holstein, Mad Dog, Atlantis) areas.

BP in the Gulf of Mexico Deepwater

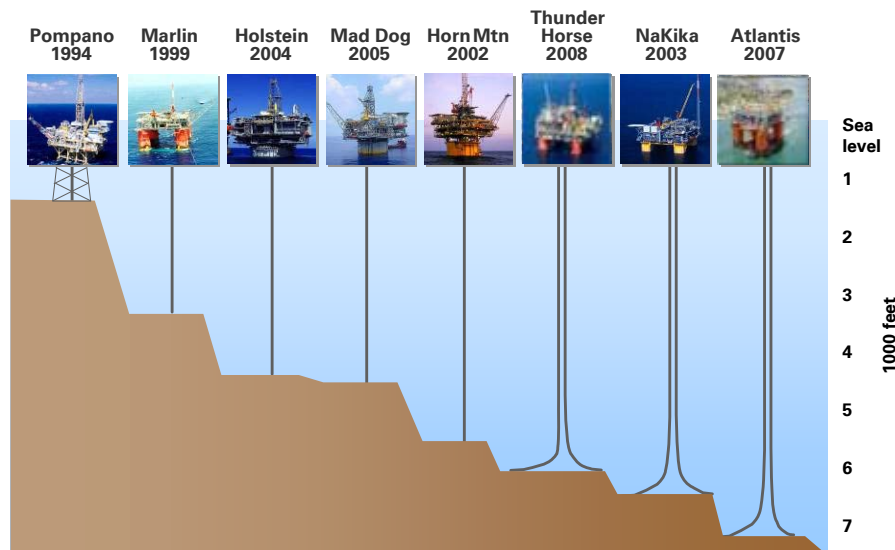


# BP Operated Projects

## Mad Dog (BP operated)

BP Working Interest: 60.5%  
 Block: Green Canyon 738, 781, 782, 783, 825, 826, 739  
 Water Depth: 1,400m (4,500ft)

Discovered in 1998, the Mad Dog oil field development came on-stream in January 2005. Further wells will be tied back to the PDO spar. The facility is designed to process 100,000 bbl/d and 60 mmscf/d. Oil and gas is transported to existing shelf interconnections via pipelines within the BP Pipeline operated Mardi Gras transportation system.



## Atlantis (BP operated)

BP Working Interest: 56%  
 Block: Green Canyon 699, 700, 742, 743, 744  
 Water depth: 1,400 to 2,100m (4,500 - 6,900ft)

Discovered in 1998, the Atlantis oil field development is planned to have 20 wells and a moored semi-submersible production facility. Plans for the field also include a separate dedicated mobile offshore drilling unit. The Atlantis facility is designed to process 200,000 bbl/d and 180 mmscf/d. First production was achieved in October 2007; gas facilities and export pipelines were commissioned in December 2007.



Atlantis PQ (Production Quarters) platform on location

## Thunder Horse (BP operated)

BP Working Interest: 75%  
 Block: Mississippi Canyon 775-778, 821, 822,  
 Water Depth: 1,700 to 2,000m (5,600 - 6,500ft)

Discovered in 1999, the Thunder Horse field development is designed to utilize the largest Production Drilling Quarters (PDO) semi-submersible platform in the world and produce from some of the deepest wells in the Gulf. The facility is designed to process 250,000 bbl/d and 200 mmscf/d with first oil expected by end of 2008.



## Partner Operated Projects

### King Sub-Sea Pump (BP operated)

---

BP Working Interest: 100%

Block: Mississippi Canyon 84, 85, 128, 129

Water depth: 1,600 to 1,800m (5,000 - 5,400ft)

King is one of three fields producing from the Marlin TLP and represents more than half of Marlin TLP production. The King Sub-Sea Pump optimises oil recovery from the King field reservoirs, and takes advantage of the Marlin hub infrastructure. First production began in December, 2007.

This is the first sub-sea multi-phase pump application in water depths greater than 3,000ft. Once proven successful, sub-sea pumping will be considered in future development plans in BP's Global portfolio to improve recovery.

### Ursa / Princess Waterflood (partner operated)

---

BP Working Interest: 22.69%

Block: Mississippi Canyon 808, 809, 810, 852, 853, 854, 765, 766

Water Depth: 1,112 to 1,158m (3,650 to 3,800ft)

The Ursa and Princess fields are located in the prolific Mars Basin within the Ursa Unit and currently producing to the Ursa Hub tension leg platform (TLP) located in Block 809. The Ursa / Princess Waterflood project will boost recovery of the Miocene reservoir shared by both fields through four sub-sea injector wells and water handling equipment capable of injecting 160,000 barrels of water per day into the formation.

### Great White (partner operated)

---

BP Working Interest: 33.33%

Block: Alaminos Canyon 812, 813, 814, 857, 900, 901

Water depth: >2438m (>8000 ft)

The Great White field was discovered in 2002, approximately 60 miles south of Diana Hoover and less than 9 miles north of Mexican territorial waters. The development concept is a wet tree "direct vertical access" Spar with a drilling and completion rig. The base development plan includes 15 Eocene producers, 6 water injectors, and 2 Oligocene producers. Located in water depths over 8,000 feet, Great White will be one of the deepest developments in the world.



## Cannonball (BP operated)

BPTT<sup>1</sup> Working Interest: 100%

The Cannonball field development provides gas for Atlantic LNG Train 4. First production started on March 12<sup>th</sup> 2006 at a rate of ca 800 mmscfd (140mboed) from 3 development wells, representing about 25% of BPTT's overall daily gas production.

The Cannonball platform was a major milestone both for BPTT and Trinidad and Tobago. It was the first in-country platform fabrication, delivering a significant step change in local content and enabling the development of a sustainable local platform fabrication industry. The Cannonball development also established the foundation for the current design and fabrication for future New Field Developments via standardized normally unmanned installations in Trinidad. Standardisation reduces both cycle time and costs.

## Red Mango Field Development (BP operated)

BPTT<sup>1</sup> Working Interest: 100%

The Red Mango Field Development project is the first phase in the development of the Red Mango field hydrocarbon resources, discovered in 2000 off the South East Coast of Trinidad. The Red Mango facilities are based on the Cannonball "clone" design and developed consistent with the business "hub and spoke" development concept. The facilities consist of a 9-slot well protector platform and 26" offshore pipeline tied back to the Cassia B hub via the Cannonball Field. During operations the field is expected to add an incremental 1 bcf/d of gas deliverability and some associated condensate. Production from Red Mango began in November 2007.

<sup>1</sup> BP has a 70% working interest in BPTT

## Cashima Field Development (BP operated)

BPTT<sup>1</sup> Working Interest: 100%

Cashima is the second development using the standardised Cannonball design within BPTT's "hub and spoke" field development concept. The facilities consist of a standard 9-slot well protector platform and 26" offshore pipeline, tied back to the Amherstia platform which is being transformed into BPTT's second central processing hub. The project will develop the hydrocarbon resources from the combined Cashima and North East Queen's Beach (NEQB) fields that were discovered in 2001 and 1975, respectively. The 6 Cashima development wells are based on the Cannonball standardized well design, but are at greater water depths and higher offsets. During operations the field is expected to add an incremental 0.75 bcf/d of gas deliverability and some associated condensate. Production from Cashima began in December 2007.

Red Mango platform under construction in Trinidad



Cashima platform under construction in Trinidad





# BP in Angola

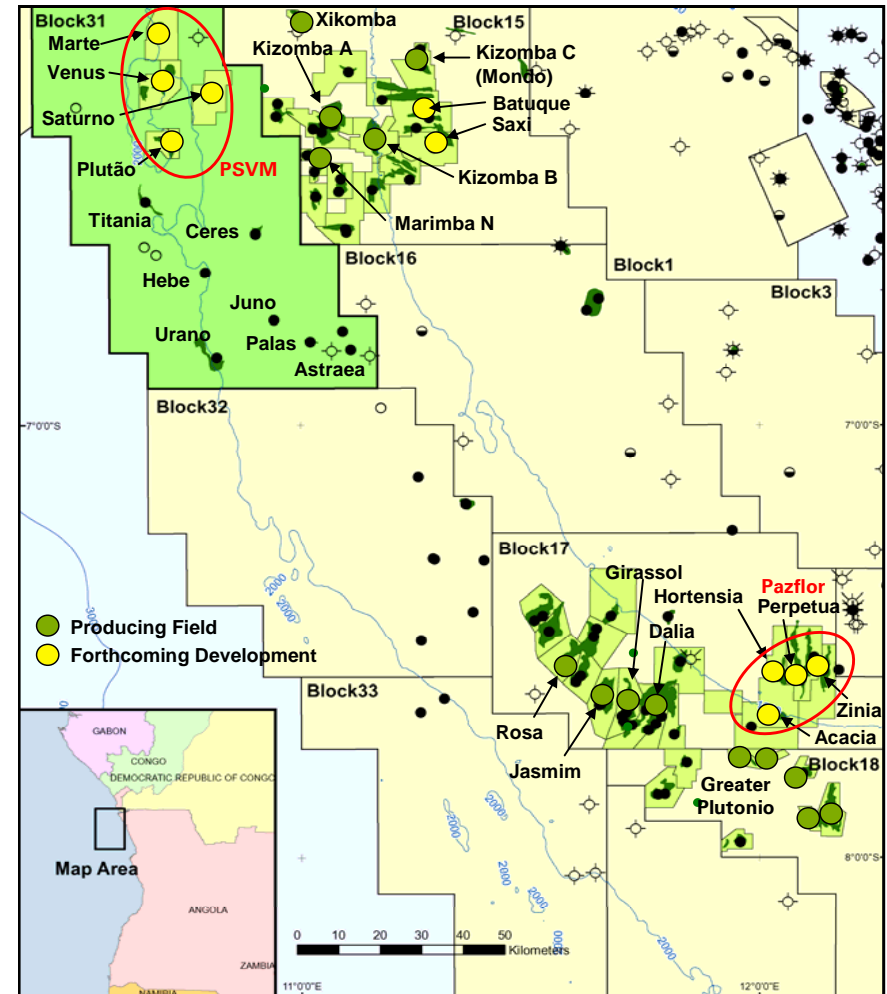
BP has been involved in Angola since the 1970s and holds a strong position in four major deepwater licenses (Blocks 15, 17, 18 and 31) as well as equity in the Angola LNG Project. BP is the operator in Block 18 and Block 31. Our first production in Angola began in December 2001 with the start-up of the Girassol field in Block 17. Jasmim, Dalia and Rosa have since joined Girassol in Block 17; with Xikomba, Kizomba A, Kizomba B, Marimba and Mondo producing in Block 15. Production in Block 18 started in October 2007 with the Greater Plutonio project, BP's first operated production.

BP has built a strong foundation for long-term growth in Angola through both exploration and development. Technical skills developed in similar deepwater basins around the world have been applied extensively in BP's operations in Angola.

## Block 17 (partner operated)

BP Working Interest: 16.7%  
 Block Area: 5,000 km<sup>2</sup>  
 Water depth: up to 1,700m

Block 17 lies in the Lower Congo Basin in water depths of up to 1,700 meters. Girassol has been in production since December 2001 producing around 250,000 boe/d. Jasmim and Rosa are both subsea tie-backs to Girassol, having started up in 2003 and 2007 respectively. Dalia was the next major hub in the block. The project was sanctioned in the first half of 2003 and started production in December 2006.





## Dalia

The Dalia field was discovered in 1997 and entered the project execution phase in the first half of 2003. Production began on 13<sup>th</sup> December 2006 with plateau forecast to be reached in 2007. The development system is very similar to Girassol, allowing for the capture of numerous capital and operating synergies. The design capacity is 250,000 b/d.

## Rosa

The Rosa field was discovered in January 1998 and is a large subsea tieback project to the Girassol FPSO. Production began in June 2007, and will enable the FPSO's production plateau of 250,000 b/d to be extended until early in the next decade.

## Block 15 (partner operated)

BP Working Interest: 26.7%

Block Area: 5,500 km<sup>2</sup>

Water depth: 200 - 1,500m

Block 15 lies in the north of the Congo basin. First oil from the block was successfully achieved in November 2003 with the start up of the Xikomba field. This was followed by Kizomba A in 2004 and Kizomba B in 2005. Kizomba C is currently under development.

## Kizomba A

Kizomba A is the first major hub development in Block 15, with production from the Hungo and Chocalho fields. Wells are linked to an FPSO (Floating Production, Storage & Offloading) vessel and production is exported via a calm buoy export facility. The plateau design rate is 250,000 boe/d and first oil was achieved in August 2004, ahead of schedule.

The Kizomba A Phase 2 Project (Marimba) comprises a 50,000 boe/d subsea tieback to the Kizomba A FPSO. Production start-up of Phase 2 was announced in October 2007 and drilling of development wells continues.

## Kizomba B

Start-up of this second major hub followed Kizomba A with first oil in July 2005. The development is formed of two fields - Kissanje and Dikanza. The plateau production rate is 250,000 boe/d. The development of Kizomba B closely followed the Kizomba A concept, capturing synergies and learnings to further enhance project quality.

## Kizomba C

Kizomba C represents a third major hub in Block 15, comprising two 100,000 boe/d FPSOs located east of Kizomba A and Kizomba B developments.

Production from the Mondo field started in early January 2008, and additional production will come from the Saxi and Batuque fields in 2008.



## Block 18 (BP operated)

BP Working Interest: 50%  
Block Area: more than 5,000 km<sup>2</sup>  
Water depth: 500 - 1,600m

### Greater Plutonio

Greater Plutonio represents BP's first operated project in Angola and comprises the development of several discoveries in the North West of the block. The concept includes all subsea wells tied back to an FPSO. The project started up in October 2007 and work is currently underway to reach plateau during 2008.



Greater Plutonio FPSO

## Block 31 (BP operated)

BP Working Interest: 26.7%  
Block Area: more than 5,349 km<sup>2</sup>  
Water depth: 1,400-2,700m

BP acquired equity and operatorship for Block 31 in 1999 as one of four licenses awarded that year for the ultra-deep water offshore Angola. Fourteen fields have been discovered in the block of which Plutão, Saturno, Vénus and Marte in the North of the block are expected to form BP's second operated development offshore Angola.

## Angola LNG (partner operated)

BP Working Interest: 13.6%

The Angola LNG project [Sonangol (22.8 %), ChevronTexaco (36.4 %), BP (13.6 %), Total (13.6 %) and ENI (13.6 %)] will include offshore and onshore operations to monetize significant gas resources from fields located offshore Angola.

The project is planned to facilitate offshore hydrocarbon developments while reducing gas flaring. Natural gas will be collected and transported from offshore production facilities to the plant to be constructed near Soyo, 300 kilometers north of Luanda. The plant will have one train of around five million tonnes per year of production capacity.



## BP in Azerbaijan

BP has been in Azerbaijan since 1992 and is the largest foreign investor in the country. BP operates two production sharing agreements (PSAs) which are under development: Azeri-Chirag-Gunashli (ACG) and Shah Deniz. The contract areas of these PSAs cover about 1,300 km<sup>2</sup> in total. In addition, BP is the operator of the Baku – Tbilisi – Ceyhan (BTC) oil pipeline and the technical operator of the South Caucasus Pipeline (SCP) gas pipeline, both of which were put into operation in 2006.

Azerbaijan is a core growth area and the strategy is to build a material sustainable business, with returns that will enhance our upstream performance. This strategy is being implemented through the existing ACG Early Oil Project, the implementation of ACG Full Field Development, with oil export via the BTC pipeline, and the development of the Shah Deniz gas field. Beyond these world class fields, there is additional opportunity within the Inam and Alov exploration PSAs, both operated by BP.



### ACG (BP operated)

BP Working Interest: 34.1%

Water depth: 100 - 175m

Production from Chirag platform in the ACG field started in November 1997. The ACG Full Field Development project (FFD) is developing the Azeri and Deep Water Gunashli fields and will increase total ACG production to over 1 million boe/d.

First oil from Central Azeri was delivered on schedule in February 2005, and West Azeri came on-stream in December 2005, four months earlier than originally planned. First oil from East Azeri came on in October 2006, almost 4 months ahead of sanction schedule. The third phase of the ACG Full Field Development is planned to develop reserves in the Deep Water Gunashli field. Construction activities for this project are nearing completion with first oil expected in 2008.



## BTC (BP operated)

BP Working Interest: 30.1%

The Baku-Tbilisi-Ceyhan (BTC) pipeline exports crude oil from the Caspian to world markets. The 1,768 km route runs from the onshore terminal at Sangachal, near Baku, through Georgia to a new marine export terminal at Ceyhan, on the Turkish Mediterranean coast, thus avoiding the Turkish Straits. BTC construction commenced in 2003 and filling of the line from the Azerbaijan end started in May 2005. First export from the Ceyhan terminal occurred in June 2006. Design throughput is 1million boe/d.

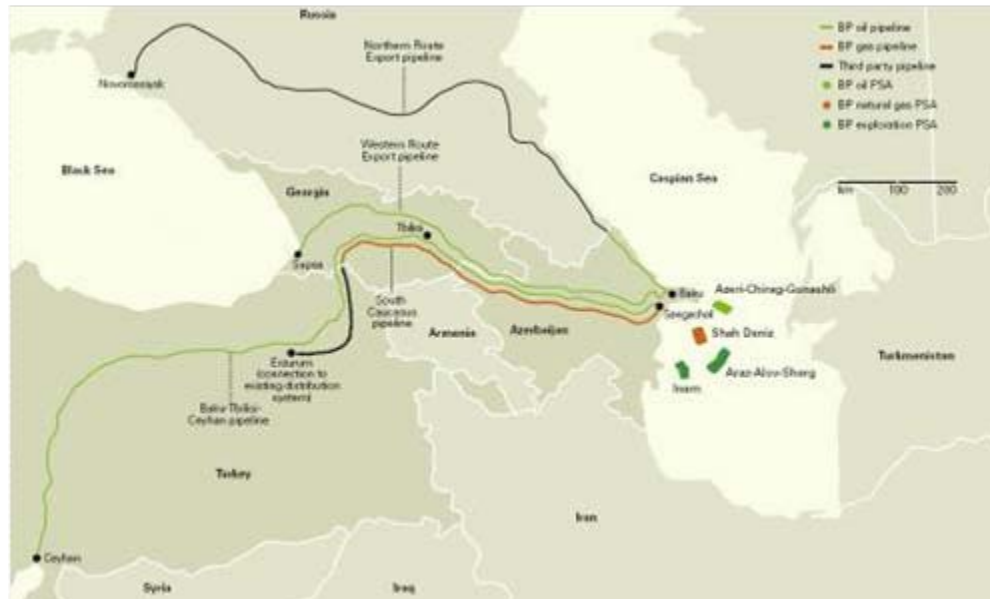
## Shah Deniz (BP operated)

BP Working Interest: 25.5%

Water depth: 105 - 300m

Shah Deniz is a major gas discovery, with a staged development linked to market growth. Stage 1 project construction commenced in 2003 and comprises an offshore platform & pipelines and an onshore gas processing terminal.

Gas and condensate production from Stage 1 started up in December 2006. The gas is delivered via the SCP pipeline which was constructed from Sangachal through the same corridor as the BTC oil pipeline and links to a new 250 km BOTAS pipeline at the Turkish border. Stage 1 production supplies Azerbaijan, Georgia and Turkey.





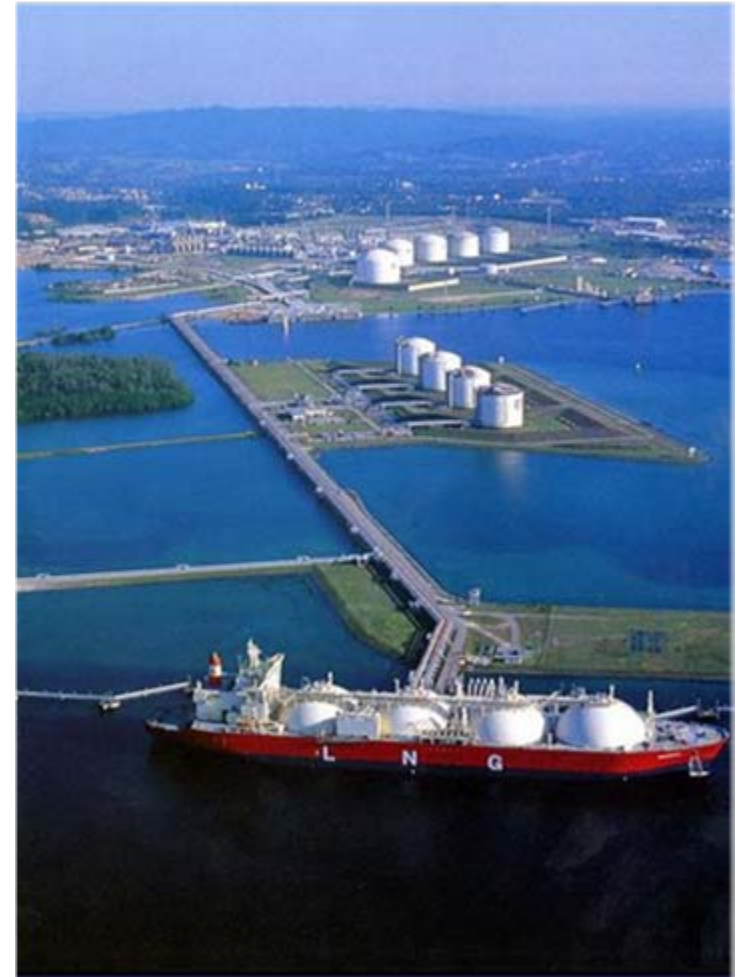
## Asia Pacific

Over the next ten years, the Asia Pacific region is expected to show the greatest growth in gas demand. BP is well positioned to capture a significant portion of this growth by being a leading player in the Asia Pacific LNG market. BP participates through interest in Abu Dhabi, Vico (Indonesia) and North West Shelf (Australia). Our position will be further enhanced with the launch of the Tangguh Project in Indonesia. BP was the first company to build an LNG receiving terminal in China (Guangdong terminal and trunkline project in partnership with CNOOC). BP also has a material domestic gas business in the region with existing gas positions in Java, East Kalimantan, Vietnam, China and Western Australia.

## Indonesia

BP is the leading supplier of gas to Java and through our 50% ownership in VICO contributes ca 500 mmscf/d for LNG export to regional markets through Bontang, one of the world's largest LNG facilities.

The Offshore North West Java (ONWJ) contract area encompasses 161 production platforms, 57 processing facilities and more than 1,000 miles of interconnecting subsea pipelines producing in excess of 75,000 boe/d



## Tangguh LNG project (BP operated)

BP Working Interest: 37.2%

Water depth: 60m

In the mid-1990s, a world-class resource of natural gas was discovered in the Berau-Bintuni Bay, Papua, Indonesia, approximately 3,200 km from Indonesia's capital, Jakarta. These discoveries led to the Tangguh LNG project, key to BP's LNG growth aspirations in the region.

As of 2006, four LNG Sales & Purchase Agreements (SPA) have been signed:

- 2.6 million tpa to China (Fujian SPA)
- Two SPAs to Korea totalling 1.15 million tpa (Posco SPA and K-Power SPA)
- 3.7 million tpa to North America West Coast (Sempra Energy LNG Corporation SPA)

The project development includes 2 offshore platforms, pipelines and liquefaction plant with two production trains. The plant will initially produce more than 7 million tpa of LNG, with potential expansion to more than 14 million tpa LNG (Tangguh Phase 2). First LNG is expected late in 2008.





## Australia

### North West Shelf (NWS) - (Partner operated)

BP Working Interest: 16.7%

The Joint Venture operation produced almost 600,000 boe/d in 2007 in five product streams: natural gas, liquefied natural gas, liquefied petroleum gas, crude oil and condensate. The offshore production and processing facilities consist of the Cossack Pioneer floating production, storage and offloading vessel, North Rankin and Goodwyn gas/condensate platforms. The liquids-rich gas is processed at Karratha on the Burrup Peninsula in Western Australia. BP's working interest is across the value chain from wells to delivery.

A fourth LNG Train with a capacity of 4.7 million tonnes per annum (tpa) came on stream in 2004 as an integral part of the existing onshore gas plant and infrastructure. A second trunk line was also installed to transport incremental gas and condensate from existing offshore platforms. Capital efficiency is optimised by aligning both scale and timing of incremental processing capacity with market capture.

The NWS Project delivered its first LNG cargo to Guangdong Terminal in China, in September 2006. A fifth LNG Train with 4.7 million tpa design capacity was sanctioned by BP in April 2005 to provide additional capacity to meet forecast demand growth of the LNG market. First throughput is expected in late 2008.

The Angel gas-condensate field was sanctioned in 2005. This development, consisting of sub-sea tiebacks into a new platform, is expected to be online at the end of 2008 to provide gas supply to Train 5.





# BP in Russia

BP has been operating in Russia since 1990. Our activities cover oil and gas exploration, refining, lubricants, chemicals, aviation fuels and lubricants, and lubricants for the marine market.

We have a number of oil and gas exploration and production activities in Russia, with the primary focus on the 50% ownership in TNK-BP, a major oil company with the majority of its assets in Russia.

We are also an active player in the Sakhalin Region, progressing development efforts through a partnership with Rosneft. We also have an investment in the Caspian Pipeline Consortium (CPC), a 1,510km pipeline connecting oil-producing fields in Kazakhstan with a terminal on Russia's Black Sea coastline near Novorossiysk.

## TNK-BP

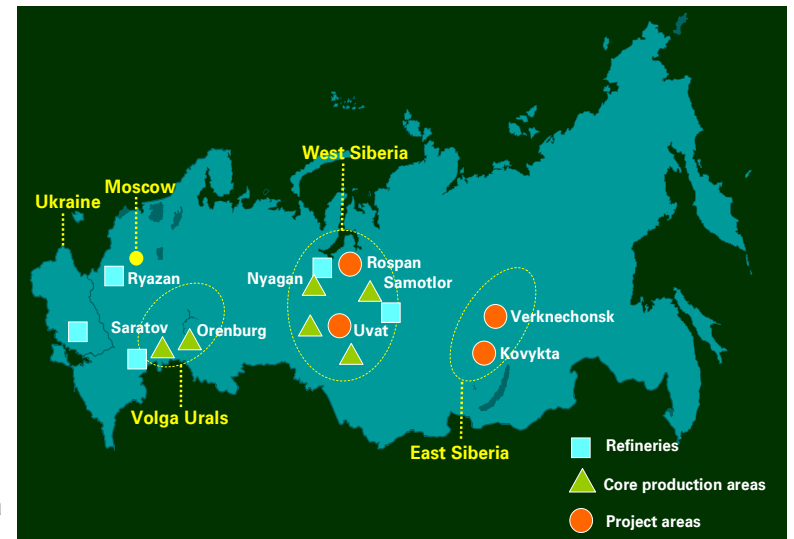
TNK-BP was established in late August 2003 as a result of the merger of Russian companies TNK (Tyumen Oil Co.), SIDANCO and Onako with the majority of BP's Russian oil assets.

The company is 50% owned by BP and 50% by a group of prominent Russian investors: Alfa Group, Access Industries and Renova (AAR). TNK-BP also owns a 50% interest in Slavneft.

TNK-BP is within the top ten private sector oil producers globally and produced an average of 1.94 million barrels of oil equivalent per day in 2006, up 2% over 2005 (adjusted for divestments).

TNK-BP is a vertically integrated oil and gas company operating a diversified upstream and downstream portfolio across Russia and Ukraine.

TNK-BP employs over 60,000 people, mostly located in eight major areas of Russia and Ukraine.





TNK-BP's upstream operations are located primarily in **West Siberia** (in the Tyumen, Khanty-Mansiysk, Yamal- Nenetsk and Novosibirsk Regions); the **Volga-Urals** (in the Orenburg Region); and **East Siberia** (in the Irkutsk Region). TNK-BP's downstream operations control around 700 thousand barrels per day of refining capacity, with principal refining assets located in Ryazan, Nizhnevartovsk, Saratov and Lisichansk (in Ukraine). TNK-BP operates approximately 1,600 retail outlets branded either as BP or TNK in Russia and Ukraine. The company is one of the key suppliers to the Moscow retail market.

## Major Projects

### UVAT

The Uvat project covers 17 licences in which 8 deposits have been discovered to date and which have an additional 29 exploration targets identified. There is one producing field in the west (Kalchinskoye). Discovered resources are estimated at around 450 million barrels with total potential resources estimated at in excess of 1 billion barrels. Thus far TNK-BP have drilled 25 exploration wells.

The regional development will be anchored by a strategic pipeline infrastructure traversing the play fairway of about 30 000 km<sup>2</sup> in the South Tyumen Oblast. The overall infrastructure scope includes the construction of around 300 kilometres of pipelines, over 500 kilometres of roads and 200 kilometres of power lines.

First new production from the region will be from Urna/Ust-Teguss fields at the eastern end of the province. Development of these two fields, and installation of the regional infrastructure, was sanctioned during 2007.

### Rospan

Rospan is a company wholly owned by TNK-BP. It holds 2 licences located in the Yamal-Nenets region of West Siberia near the giant Urengoi field, owned and operated by Gazprom. The gas and condensate reserves are primary located in the Neocomian layer which is deeper than the Urengoi horizon. Rospan contains resources of 35 trillion cubic feet of gas and 2 billion barrels of condensate. It is currently in pilot production ahead of full field development.



## Verkhnechonskoye Field Development

The Verkhnechonskoye field development project lies approximately 225km West of Vitim in the northernmost part of the Irkutsk Region. The field contains more than 1bn bbls of resources and is 120km from the planned route of the first section of the East Siberia Pacific Ocean (ESPO) oil pipeline, which is currently being constructed by Transneft.

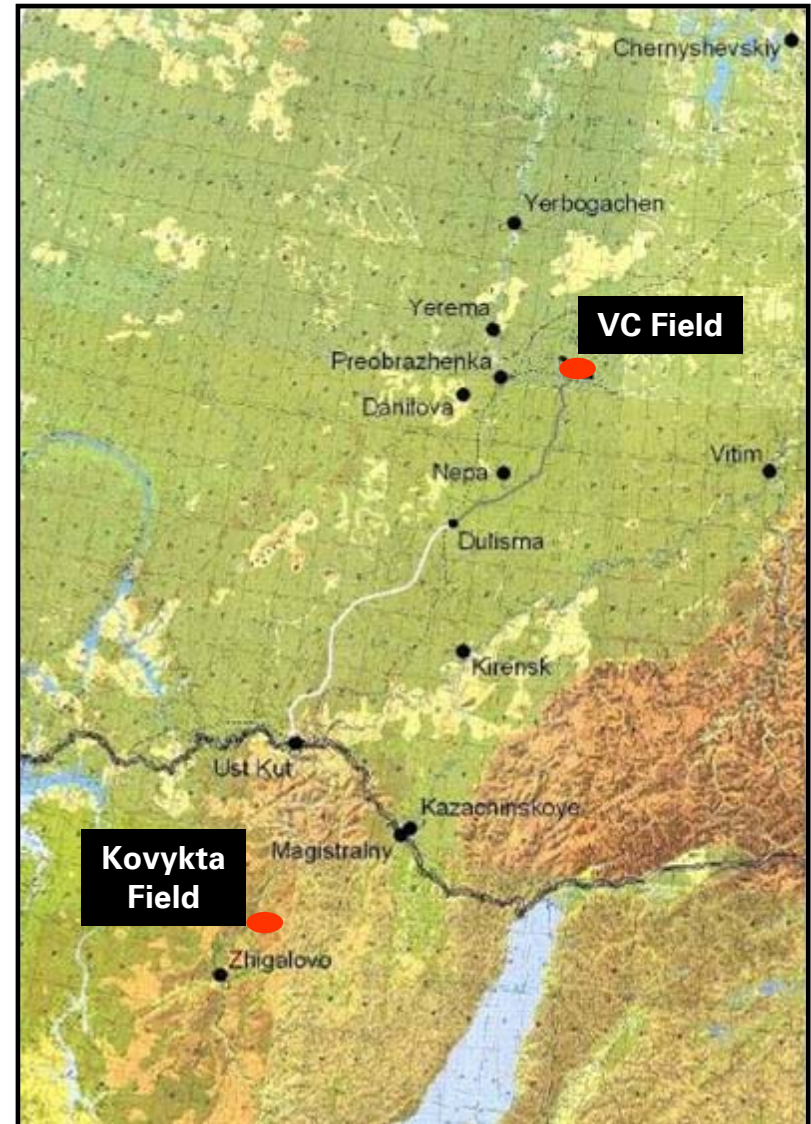
TNK-BP (62.7%) and its partner Rosneft (25.9%) are developing a pilot production and early oil scheme with the twin aims of confirming the production capability of the reservoir and delivering first oil into ESPO. Following on from a successful early oil scheme a full field development could reach plateau production of 100-200 thousand barrels per day by the second half of the next decade.

## Kovykta Export

Development of the Kovykta gas condensate field (TNK-BP 62.9%), which is one of the largest fields in Russia, is one of TNK-BP's long-term gas projects. The Kovykta field, discovered in 1987, is situated 450 kilometres from Irkutsk, in the northern part of the Irkutsk Region. The resources of this field amount to 70 trillion cubic feet of gas in place.

On 22nd June 2007, as part of a memorandum of understanding between BP, TNK-BP and Gazprom, TNK-BP agreed to sell Gazprom its 62.9 per cent stake in Rusia Petroleum, the company which holds the licence for the Kovykta gas field in East Siberia. It will also sell its 50 per cent interest in East Siberian Gas Company (ESGCo), the company constructing the regional gasification project.

TNK-BP has a call option to buy a 25 per cent plus one share stake in Kovykta at an independently verified market price, contingent on a significant joint investment or asset swap being agreed under the terms of the memorandum of understanding.



## Sakhalin IV and V

Sakhalin Island, which is located off the eastern coast of the Russian mainland in the Sea of Okhotsk, is a world-class hydrocarbon province with five super giant (>500 million barrels oil equivalent) oil and gas fields having been discovered offshore since 1980. Proven basin reserves are in the order of 5.5 billion barrels oil and 35 trillion cubic feet of natural gas.

In 1998 BP formed an Alliance partnership, Elvay Neftegaz, with Russia State Oil Company Rosneft to explore in Sakhalin via an exclusive bidding agreement (BP 49%, Rosneft 51%). In June 2002, Rosneft obtained the first exploration licence on behalf of the Alliance for the rights to explore Kaigansky–Vasukansky blocks in the south of the Sakhalin V area, which had no previous exploration history.

The first exploration well in the Kaigansky–Vasuykansky exploration licence (Pela Lache) was drilled in 2004 and encountered oil in 4 stacked pay zones in good quality sandstone reservoirs. The Pela Lache well was tested in 2005, following successful drilling and testing of the second exploratory well Udachnaya. The Udachnaya well was drilled to a total depth of 2,705 meters and encountered hydrocarbons in three zones. In 2006, a third well in the area (S. Vasukanskaya) encountered hydrocarbons in two intervals.

The successful demonstration of working petroleum systems in the Kaigansky–Vasuykansky licence represent positive steps towards opening a new area for exploration and potential subsequent development offshore northern Sakhalin.

## CPC & Tengiz

The Caspian Pipeline Consortium (CPC) provides an export route for Tengiz and other Kazakh and Russian crudes to the Black Sea near the port of Novorossiysk.

The first phase of the pipeline, completed in 2003, has a capacity of 28.2 million tonnes per year.

This is planned to increase through a series of expansions to 67 million tonnes per year.



BP and KazMunaiGaz are in a joint venture (JV) called Kazakhstan Pipeline Ventures. This JV owns a 1.75% equity interest in the CPC. In addition, BP and LUKoil are in a joint venture called LukArco which owns a 12.5% equity share in the CPC. BP has a 46% interest in the LukArco joint venture. LukArco holds a 5% equity share in the huge Tengizchevroil (Tengiz) field which has been producing since 1993.

BP acquired interests in the CPC and the giant Tengizchevroil oil field through its merger with Amoco in 1998 and its acquisition of Arco in 2000.



# Algeria

## In Salah Gas – Algeria (JV operated)

BP Working Interest: 33.15%

One of the largest dry gas projects in Algeria, In Salah Gas entails the development of seven proven gas fields in the southern Saharan desert, 1,200 km south of Algiers. On-stream since July 2004, the project currently produces around 9 billion cubic metres of gas per year. The dry gas is transported along a 500-kilometre pipeline to the major gas collection point at Hassi R'Mel from where it is exported to markets in Spain and Italy.

In Salah also represents the world's first full-scale carbon dioxide capture project at a gas field. Around one million tonnes of CO<sub>2</sub> are injected into the reservoir every year.



## In Amenas – Algeria (JV operated)

BP Working Interest: 25%

The largest wet gas project in Algeria, In Amenas involves the development and production of natural gas, condensate and LPG from liquid rich gas fields in the Illizi basin of South-Eastern Algeria. This project started up in June 2006 and at maximum production is expected to produce around 9 billion cubic metres of gas per year and 50,000 boe/d of liquids.



# Egypt

## **Temsah Redevelopment – Egypt (Partner operated)**

BP Working Interest: 50%

Water depth: 83m

Temsah North West 2 is a gas project located in the Temsah concession in the Eastern Nile Delta. Production started up in 2006, five months ahead of schedule.

## **Saqqara - Egypt (GUPCO operated)**

BP Working Interest: 100%

Water depth: 30m

The Saqqara project is located in the Gulf of Suez, and is operated through GUPCO, BP's JV with the Egyptian General Petroleum Corporation. The project will produce from a 9-slot wellhead tower, and multi-phase fluids will be exported to a dedicated onshore separation and gas processing plant. First production is expected in early 2008.

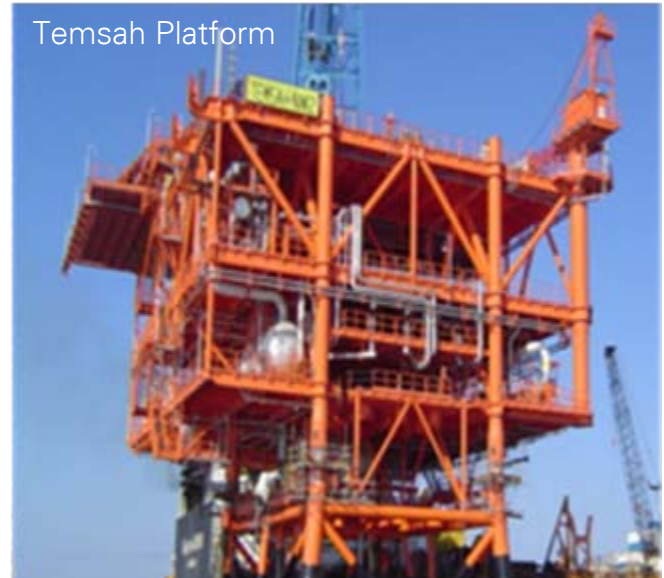
## **Egypt LNG Train 1 Supply - Egypt (JV Operated)**

BP Working Interest: 50%

Water depth: 106m

The LNG Train 1 Supply Project is BP's entry into the LNG business in Egypt. Having entered agreements with the Egyptian Natural Gas Holding Company / Egyptian General Petroleum Corporation, LNG Train 1 supply will come from the recently discovered Taurt Pliocene field (BP Operator), and from partner operated fields for supply to the SEGAS LNG export plant at Damietta. Taurt is subsea development from which gas will be transported to the existing Western Harbour onshore gas facility at Port Said via a new dedicated pipeline.

Temsah Platform



Saqqara Platform deck under construction







## **Magnus Extension – North Sea (BP Operated)**

---

BP Working Interest: 85%

Block: 211/12a

Water Depth: 186 metres

Discovered in 1974 and started up in 1983, the Magnus field is the UK's most northerly field. The Magnus Extension Project, sanctioned in 2004, will add new well slots providing the ability to drill an additional 8 wells from the platform. This could access an additional 40 million barrels of oil. First oil from the new well slots was delivered in October 2006.

## **Schiehallion North West Area Development – North Sea (BP Operated)**

---

BP Working Interest: 33.35%

Block: 204/20, 204/25

Water Depth: 400 metres

Discovered in 1993 and started up in 1998, Schiehallion is a Floating, Production, Storage and Offloading (FPSO) vessel – a purpose built part crude oil and gas processing plant, part storage unit. The north west area development involves the creation of a new drill centre some 2km from the FPSO and will be tied back with dedicated flowlines, umbilicals and riser. Three new wells (one smart multilateral and two injectors) were drilled in 2006 with an estimated add of up to 17 mboed to existing Schiehallion production.





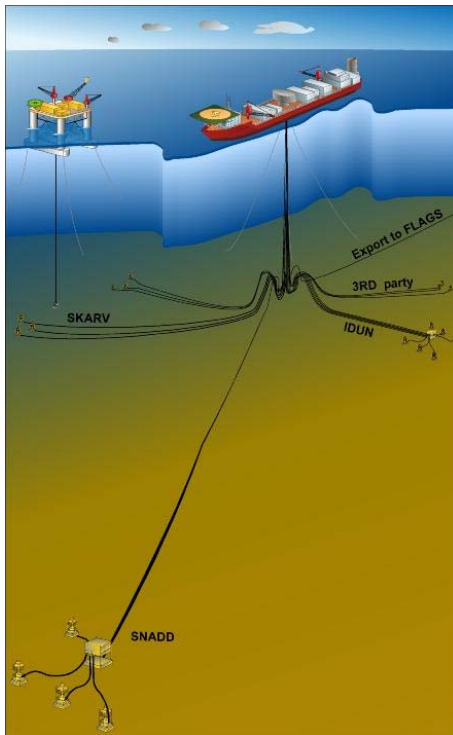
## Valhall Redevelopment – North Sea (BP Operated)

BP Working Interest: 28.1%

Block: PL006/Block 2/8

Water Depth: 75 metres

Discovered in 1975 and started up in 1982, the Valhall development consists of five separate, bridge connected, steel platforms for quarters, drilling, wellheads, production and water injection. The field also has two unmanned flank platforms. The Valhall Redevelopment project will consist of an integrated processing and housing platform, which is scheduled to become operational in 2010. It will initially have an oil production capacity of 120,000 bbl/d and gas handling capacity of 143 mmscf/d, with scope for future upgrades.



## Skarv & Idun – North Sea (BP Operated)

BP Working Interest: 30% of Skarv (0% Idun)

Block: PL212, PL159

Water Depth: 450 metres

Discovered in 1998, these adjacent fields hold expected accessible reserves of 120 mmbbl oil and 1.4 tcf gas. Production will be delivered through a purpose built Floating, Production, Storage and Offloading (FPSO) vessel with gas export design potential around 650 mmscf/d, and design oil rate of 85mbd. Options exist for further satellite field developments. Procurement and planning activities are currently ongoing with full project approval obtained in H1 2007 and first production in 2011.

# North America Gas



## Wamsutter Tight Gas – US (BP Operated)

BP Working Interest: 70% average  
Development Area: 1,700 square miles  
BP Operated Wells: 1,100

BP has a unique position in this giant and largely undeveloped tight gas field, which started first production in the 1960s. Wamsutter is the largest contiguous block of BP operated acreage in the U.S. and BP operates about 40% of the acreage. BP plans to invest over \$2.2 billion in Wamsutter over the next 15 years, developing 450 million barrels oil equivalent over the period. BP net daily production is expected to increase from 125 mmscf/d currently to 250 mmscf/d by the end of the decade.

## San Juan CBM – US (BP Operated)

BP Working Interest: 85%

Discovered in the late-1970's, the San Juan Coal Bed Methane development currently produces 650 mmcf/d through 1,200 wells and 200,000 hp of gas compression. Beginning in 2007 and over the next 13 years, BP plans to invest more than \$2 billion in the project to develop 2.7 tcf. Gas compression will also be increased by 100,000 hp, the majority of which is scheduled to be operational by 2011.