

## Our operations

# What are BP's main activities in Azerbaijan?

BP is the operator of major natural resource developments in the Azerbaijan sector of the Caspian Sea, including the Azeri-Chirag-Gunashli oil field and the Shah Deniz gas field. We manage one of the world's largest integrated oil and gas processing terminals and transport energy to regional and world markets.



Our 2008 operational achievements included first oil from Deepwater Gunashli and higher production at the Azeri-Chirag-Deepwater Gunashli oil field and the Shah Deniz (SD) gas field. During the year, we also encountered technical, logistical and efficiency challenges.

### Production

#### Azeri-Chirag-Deepwater Gunashli (ACG)

ACG is the largest oil field in the Azerbaijan sector of the Caspian basin. Situated about 100 km east of Baku, it is operated by BP on behalf of the Azerbaijan International Operating Company (AIOC). Production began in 1997 from the Chirag section. The Central Azeri, West Azeri, East Azeri and Deepwater Gunashli sections of the field were then developed in three phases.

#### Milestones of 2008

In 2008, we produced a total of about 252 million barrels (over 34 million tonnes) of oil. ACG average daily oil production was 688.5 thousand barrels per day.

A gas release was detected around the Central Azeri (CA) platform in mid-September. As a precautionary measure we suspended all operations on the platform. Production re-started on a limited basis in mid-December following a comprehensive review. As a consequence of the incident and resultant increase in gas flaring from the ACG field, we observed an overall increase in GHG emissions from our operations in 2008 (page 18).

Through the year, we delivered about 2.1 billion standard cubic metres (bscm) of ACG gas to SOCAR. Capital spending totalled around \$1.9 billion and operating expenditure \$645 million.

#### Outlook for 2009

Production for the full year from the five producing ACG platforms is planned to be over 256 million barrels (about 34.7 million tonnes per annum). Capital spending will total around \$1.6 billion and operating expenditure around \$743 million. We expect to deliver a minimum of 1.45 bscm of associated gas to SOCAR in 2009.