

Resource Definition Impact on Business

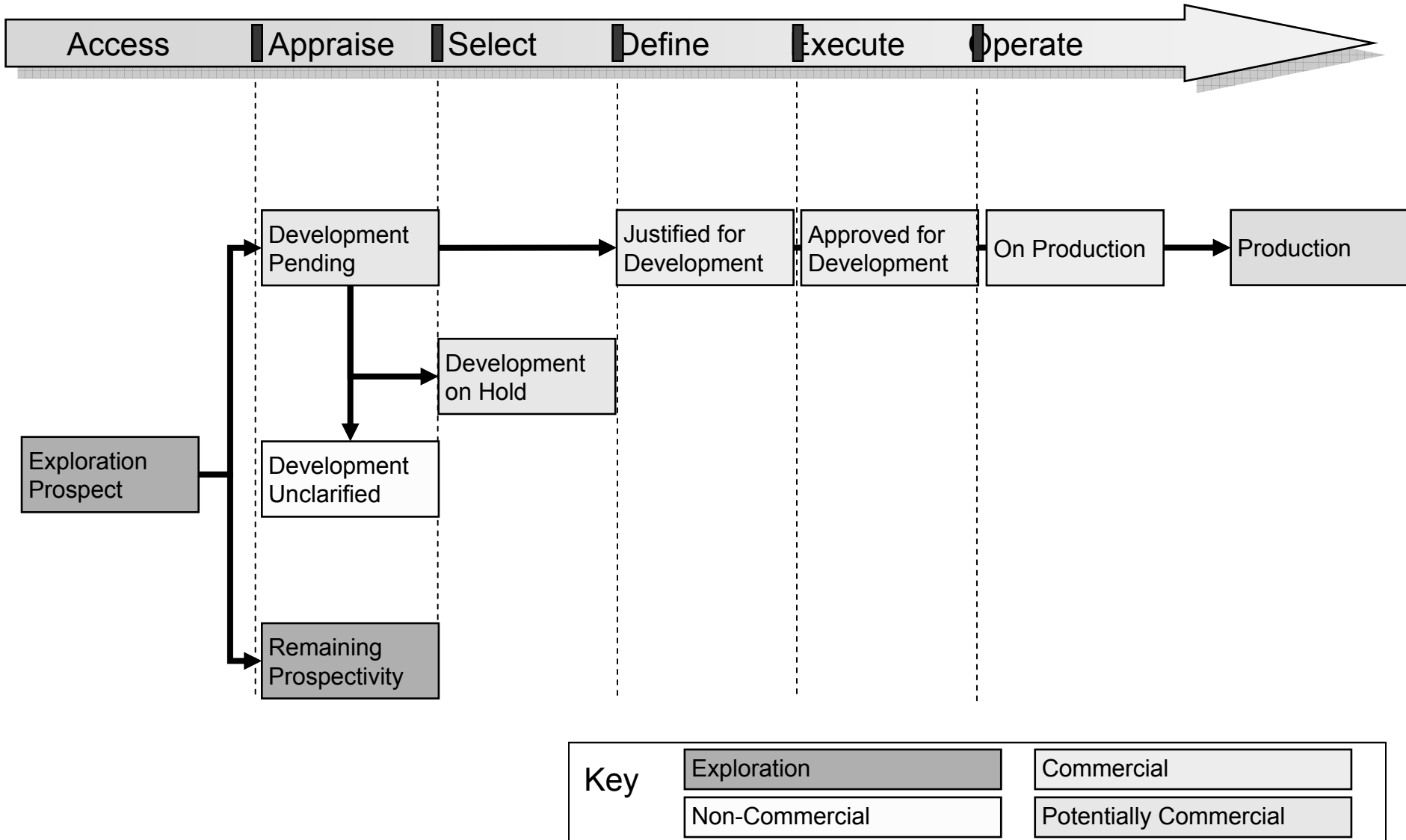
David MacDonald
Segment Reserves Manager, BP
March 2009

Resource Definition for Business Processes

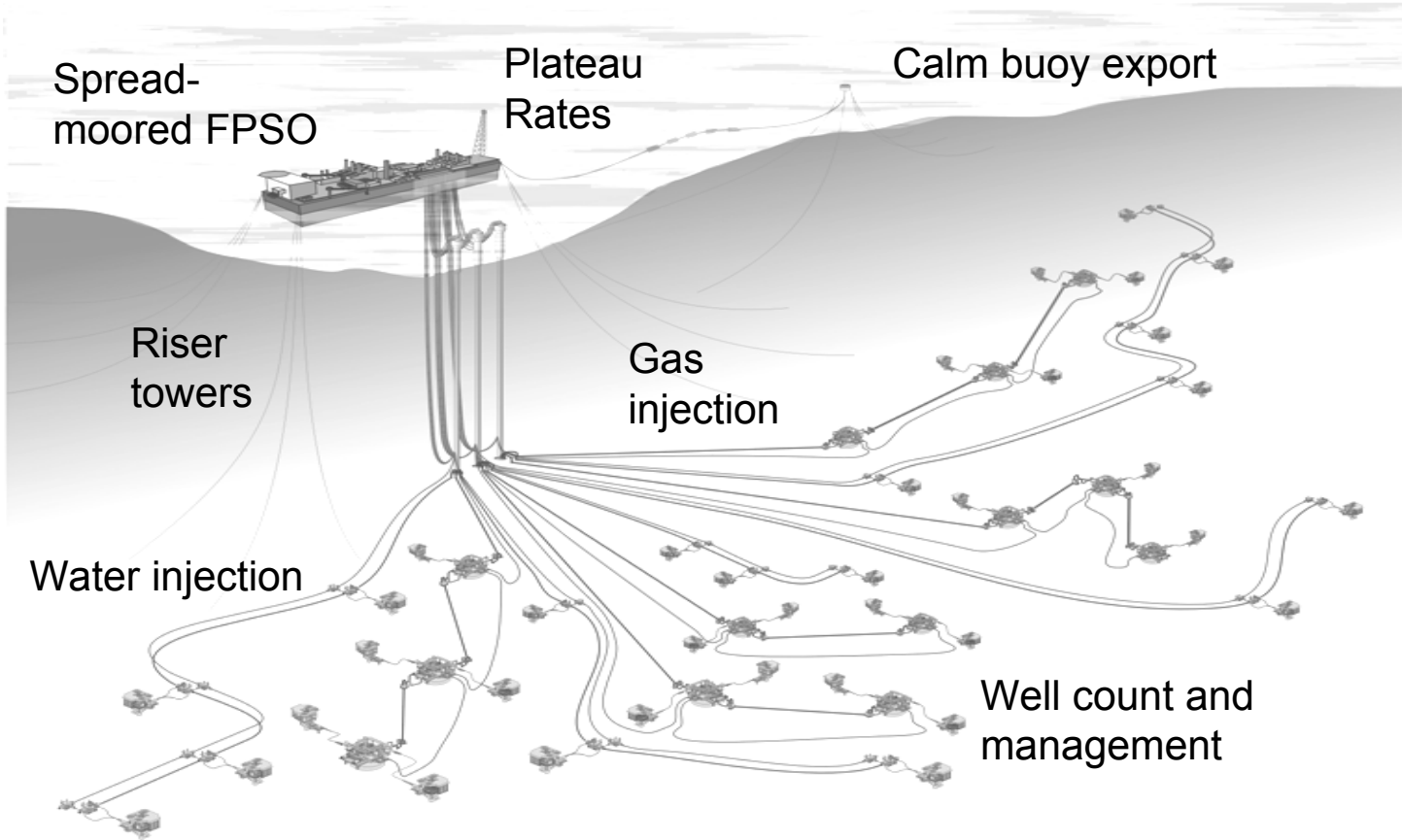


- Planning
 - Life cycle depletion plan for an asset
 - Annual business plan
 - Long term business plan
 - Technology plan
- Investment decisions
 - Efficiency of investment and long-term operation
 - Acquisition and divestment
- Performance management
 - Base Management
 - Progression of resources to production

Resource Progression – New Discovery



Typical Deepwater Facility Design

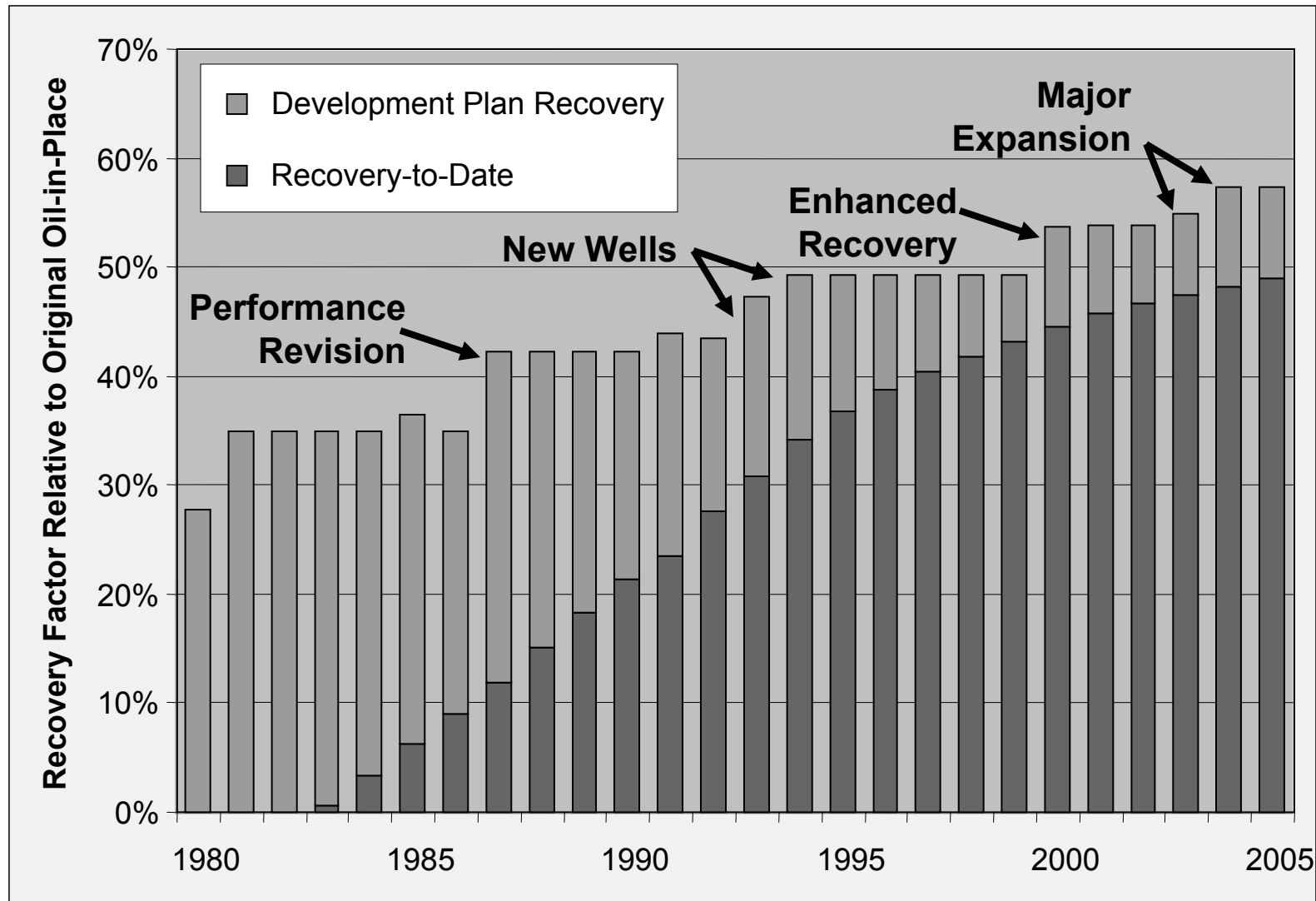


Sources of Uncertainty

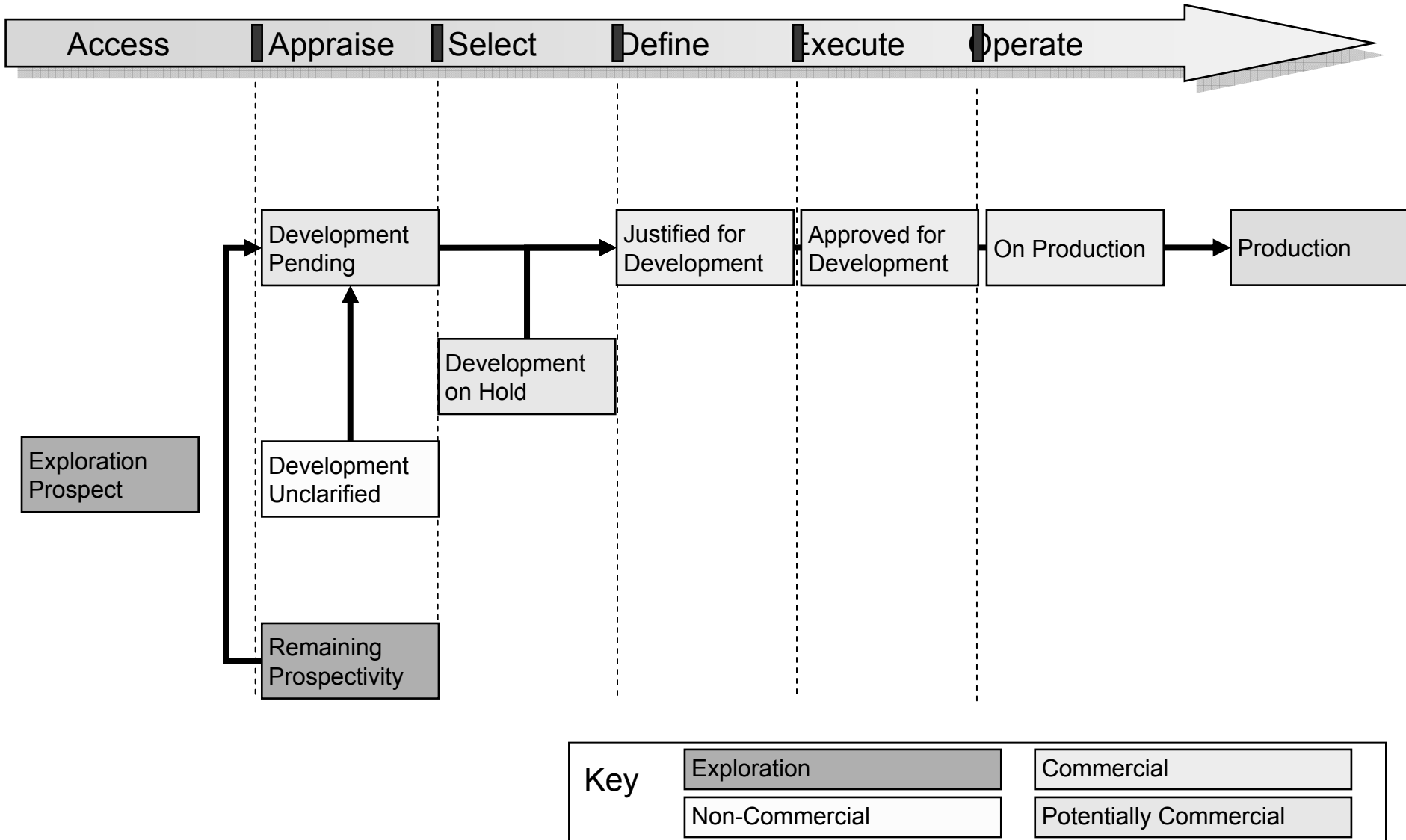
- Subsurface
 - Static
 - Dynamic
- Gathering
- Processing
- Transport
- Commercial

Successful development plans include contingencies and mitigations for possible outcomes.

Resource Growth – Magnus, UK



Resource Progression – Phase 2 Development



Sustainable Development



- Definition must include entire resource base
 - Maintain competitive advantage
- Initial over-conservatism can lead to lost opportunity
- Uncertainty analysis must differentiate the components
 - Subsurface
 - Project
 - Commerciality

The UNFC with its focus on the criteria of economic viability, technical feasibility and geologic endowment is well placed to meet all of these needs.