

June 30, 2009

Iraq's First Petroleum Licensing Round Rumaila Contract Area – Bidding Results

The Petroleum Contracts and Licensing Directorate of the Ministry of Oil is pleased to announce the results of bidding for the Rumaila Contract Area.

In total bids were received from 2 bidding groups involving 4 companies.

The winning bid was from:

BP Exploration Operating Company Limited (Lead Operator)

CNPC International Ltd.

Plateau Production Target Bid: 2,850,000 BOPD

Remuneration Fee Bid: US\$ 2.00 (3.99*) / Bbl

* The original bid was US\$ 3.99 per barrel. The winning consortium accepted a match to the pre-determined Maximum Remuneration Fee of US\$ 2.00 per barrel.

A consortium led by ExxonMobil submitted the highest scoring bid. However, their Remuneration Fee Bid was in excess of the Maximum Remuneration Fee (MRF) of US\$ 2.00 / Bbl set by the Ministry of Oil. The consortium declined the opportunity, set in the bidding process protocol, to

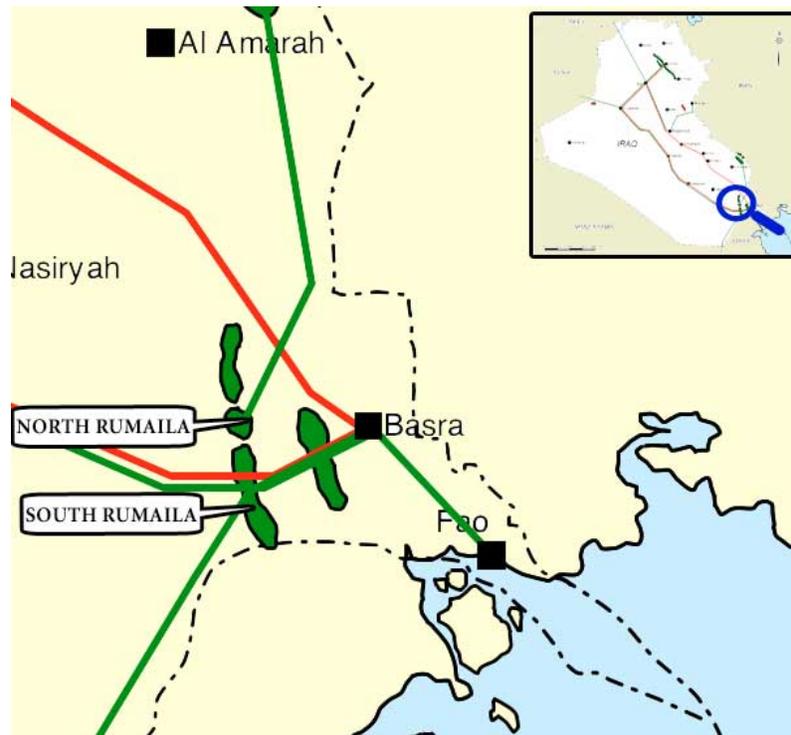
match the MRF set by the Ministry of Oil. This match option was then offered to the consortium led by BP, who accepted.

In addition, a Signature Bonus of US\$ 500 million is payable by the winning consortium. This will be repaid over 5 years, with interest, starting in 2011.

A summary of the bids as originally received was:

Company / Consortium	Plateau Production Target (Bopd)	Remuneration Fee Bid (US\$/Bbl)	Points Rank
ExxonMobil Iraq Limited (80.1%)*, PETRONAS Carigali Overseas SDN. BHD. (19.9%)	3,100,000	4.80	100.0
BP Exploration Operating Company Limited (66.67%)*, CNPC International Ltd. (33.33%)	2,850,000	3.99	89.9

Overview



Historically, the Rumaila asset has been considered as two separate fields for the purposes of development and production, split into north and south sections with very similar estimates of oil in place volumes though the areal extent of the south is over twice that of the north. Both North and South Rumaila are here considered a single asset to be developed together as they comprise a single geological structure. At present, the majority of production in Iraq comes from Rumaila and the northern supergiant field, Kirkuk.

The structure of the South Rumaila section is a north-south trending anticline approximately 38 kilometers long and 12 kilometers wide. There are four reservoir units in the South Rumaila field that have been appraised and produced from, and which are part of the package on offer. These units are distributed between the Mishrif and Zubair formations, one reservoir in the limestone of the Mishrif and three in the Zubair. The Zubair reservoirs are the Upper Shale, Upper Sandstone and Lower Sandstone members. The Upper and Lower Sandstone members are locally also known as Main Pay and Fourth Pay, respectively.

In North Rumaila, three reservoirs are in development. As with the south, this includes the Mishrif limestone and Upper Zubair sandstone, but not the other Zubair reservoirs. The heterogeneous Nahr Umr Formation is the third reservoir in North Rumaila. The structure in the north is a continuation of the southern anticline, and the areal extent is about 130 square kilometers. Again, as with other fields, there are numerous promising oil shows in other horizons that are not included in the current offer.