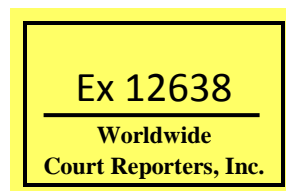


bp



Response, Reaction & Restoration

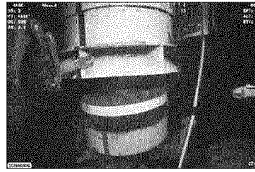
Lamar McKay



## The Response: Past, Present, and Future



- April - rig explosion
- Unprecedented response
    - > 47,000+ people
    - > 6,500 vessels
    - > 120 aircraft
    - > 13 MM feet of boom deployed
  - Organizational capability
  - Knowing your oil
  - Capture and containment

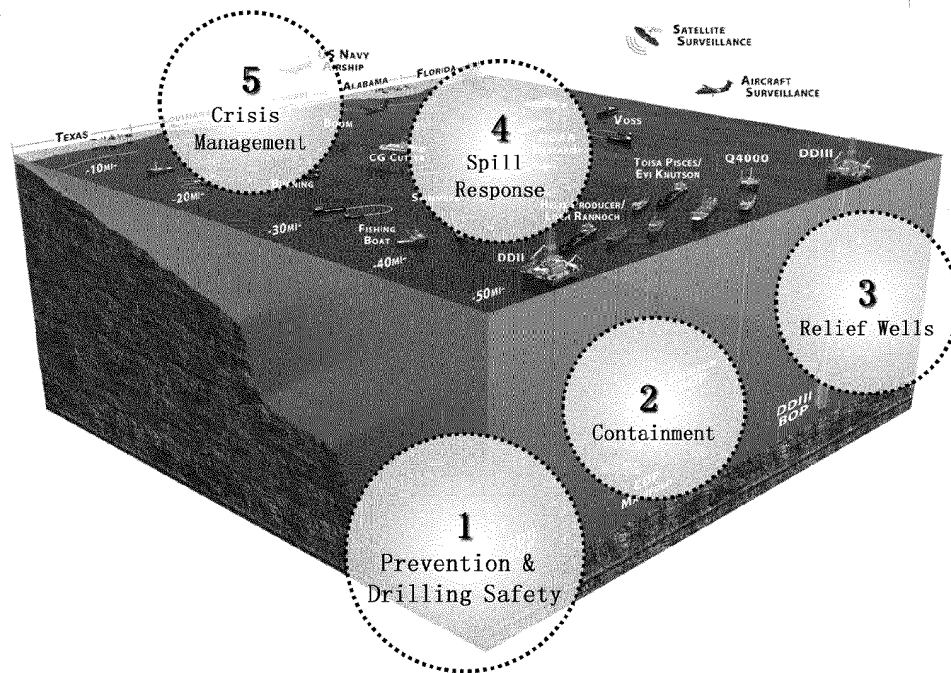
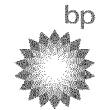


- July - well capped
- > 122,000 suggestions received for subsea and surface containment
  - Rapid change in surface response activities
  - Elements and seafood sampling a priority
  - Acceleration of shoreline assessments and initial clean-up
  - Community outreach centers functional



- Present and future - transition to restoration/recovery
- Restoration/recovery → deep cleaning → maint./monitoring
  - ~ 4,000 people
  - ~ 300 vessels
  - Operational focus areas
    - HSSE risk management
    - Stage 3 shoreline cleanup assessment/treatment recommendations (STRs)
    - Decon/demobilization
    - Submerged and subsurface oil monitoring

## BP Acquired Unique Knowledge and Experience Across Five Key Areas

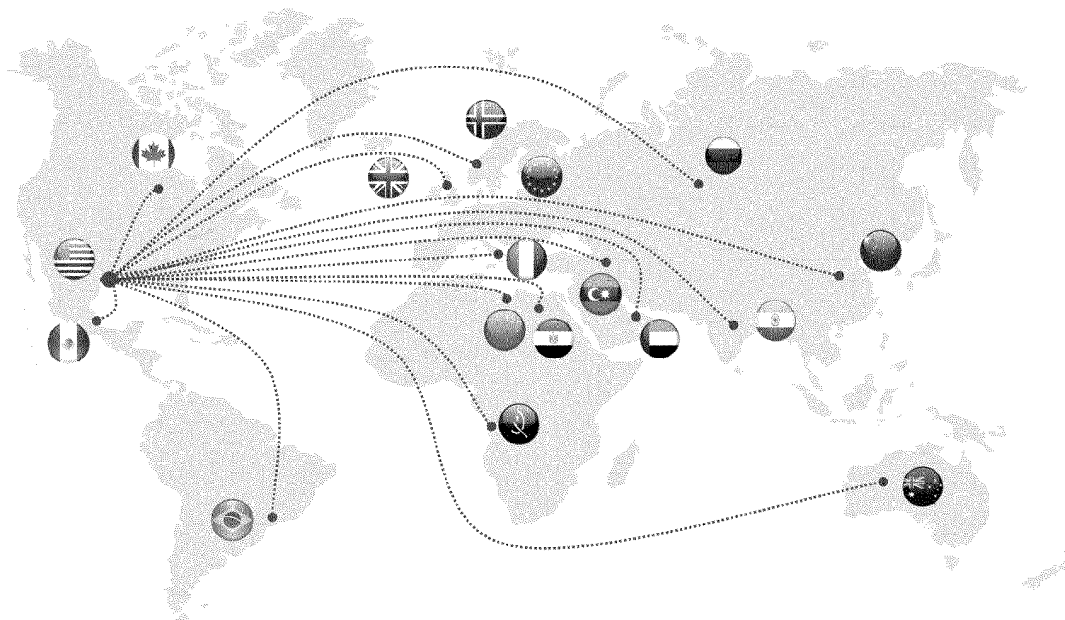
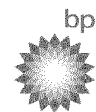


- To best convert this huge collection of learnings into focused initiatives going forward, we decided to organize our learnings and practices along 5 areas:

- 1. Prevention & Drilling Safety:** This is the ability to maintain control of the well from spud to abandonment. This is our first and foremost priority. However, we need to be ready if, for any reason, well control is lost. As a result, we need to continue to build capabilities in four other areas:
- 2. Containment:** This is the ability to minimize and stop the flow of hydrocarbons from the well by capturing or stopping the flow at the source
- 3. Relief Wells:** This is the ability to rapidly intersect, and kill the well from the bottom if we are unable to do so from the top.
- 4. Spill Response:** This is the ability to manage the released hydrocarbons to minimize their impact on the environment.
- 5. Crisis Management:** This is the ability to co-ordinate the overall response and facilitate effective decision-making through the systematic organization of people, information and technology.

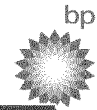
- 
- I will walk you through these 5 areas – what did we learn, what should we focus on and where we are headed within BP. The first, and highest priority, is Prevention and Drilling Safety.

Committed to Sharing our Learnings  
Around the World



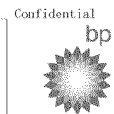
- In the days and weeks following the blowout, my colleagues and I did our very best to protect the waters and shores that we lived and worked in
- The lessons that were forged through that experience are impossible to forget. We are attempting to make sure an incident like this never happens again, to anyone in the industry
- To this goal, we are engaging governments, regulators and the industry in key offshore and deepwater basins to share our knowledge and foster the dialog on how we may improve deep water drilling safety, containment and response capabilities.
- Thank you for your time and attention

# Response of governments and industry to improve GoM deepwater drilling safety

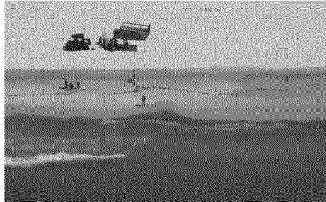


	*What has already happened	*What has been announced	*What has been proposed
*BOEMRE	<ul style="list-style-type: none"> <li>*BOEMRE reorganization</li> <li>*Stricter environmental reviews</li> <li>*Worst case discharge &amp; spill response capability guidance</li> <li>*New drilling and workplace safety standards</li> </ul>	<ul style="list-style-type: none"> <li>*Further BOEMRE reorg</li> <li>*Environmental study review process and new studies</li> <li>*Detailed guidance for oil spill response plans</li> <li>*Safety committee</li> </ul>	<ul style="list-style-type: none"> <li>*Offshore Energy Safety Institute</li> </ul>
*Other *Stakeholders	<ul style="list-style-type: none"> <li>*Various investigations (e.g., Presidential Commission, Marine Board Inquiry, Chemical Safety Board, National Academy of Engineering, Dept of Justice)</li> </ul>		<ul style="list-style-type: none"> <li>*Industry Safety Organization</li> <li>*Adoption of "Safety Case" regime</li> </ul>
*Industry	<ul style="list-style-type: none"> <li>*API Task Forces (offshore equipment and operating procedures)</li> <li>*Formation of MWCC</li> </ul>	<ul style="list-style-type: none"> <li>*Formation of MSRC/CGA</li> <li>*Formation of HFRS</li> </ul>	<ul style="list-style-type: none"> <li>*Formation of an industry Safety Institute</li> </ul>

## Beach Clean-up



Gulf Shores, AL - Pre cleanup



Pensacola, FL - Pre cleanup



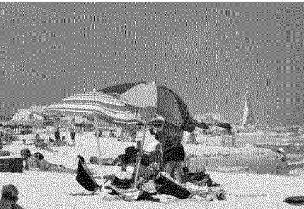
Dauphin Is, AL - Pre cleanup



Gulf Shores, AL - Post cleanup



Pensacola, FL - Post cleanup

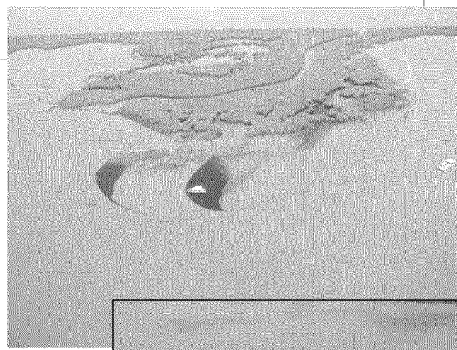


Dauphin Is, AL - Post cleanup



## Marsh Impacts

Confidential  
bp

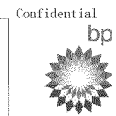


Pass a Loutre



Pass a Loutre - Post Cleanup

## People





## Reaction...unprecedented in coverage and transparency



- Media - 10,000 stories per day at the peak...22% of total news coverage
- Crisis on live feed 24/7...every move evaluated
- US Government - over 65 hearings and multiple investigations
- Favorability plunges - single digits
- Political stakes exceptionally high - OCS opening, mid-terms elections approaching, weak economy, stretched state / local budgets
- Industry assists...but tries to distance
- Increased scrutiny on our US businesses and international operations
- Crisis leveraged by some to promote other issues

## Restoration...moving forward



- **Strategy...**
  - Maintain and defend our LTO in USA
  - Meet our commitments on the Gulf Coast
  - Rebuild reputation on accomplishments
  - Resolve investigative / legal issues
- **Structures built...**
  - \$20Bn Escrow Fund
  - GCCF (Feinberg)...claims facility for individuals / businesses
  - Escrow collateralized via GOM assets
- **GCRO formed...appropriate resources...focused on restoration**
  - Part of BP America
  - Concentration on LA, MS, ALA, FL...connected to DC
  - Transitioning from Unified Area Command (Gov' t command) to GCRO in 4Q
  - Clean-up, economic damages, reputation re-build, long-term research
- **GoM Subcommittee of BP Board formed...**
  - Monitoring and oversight