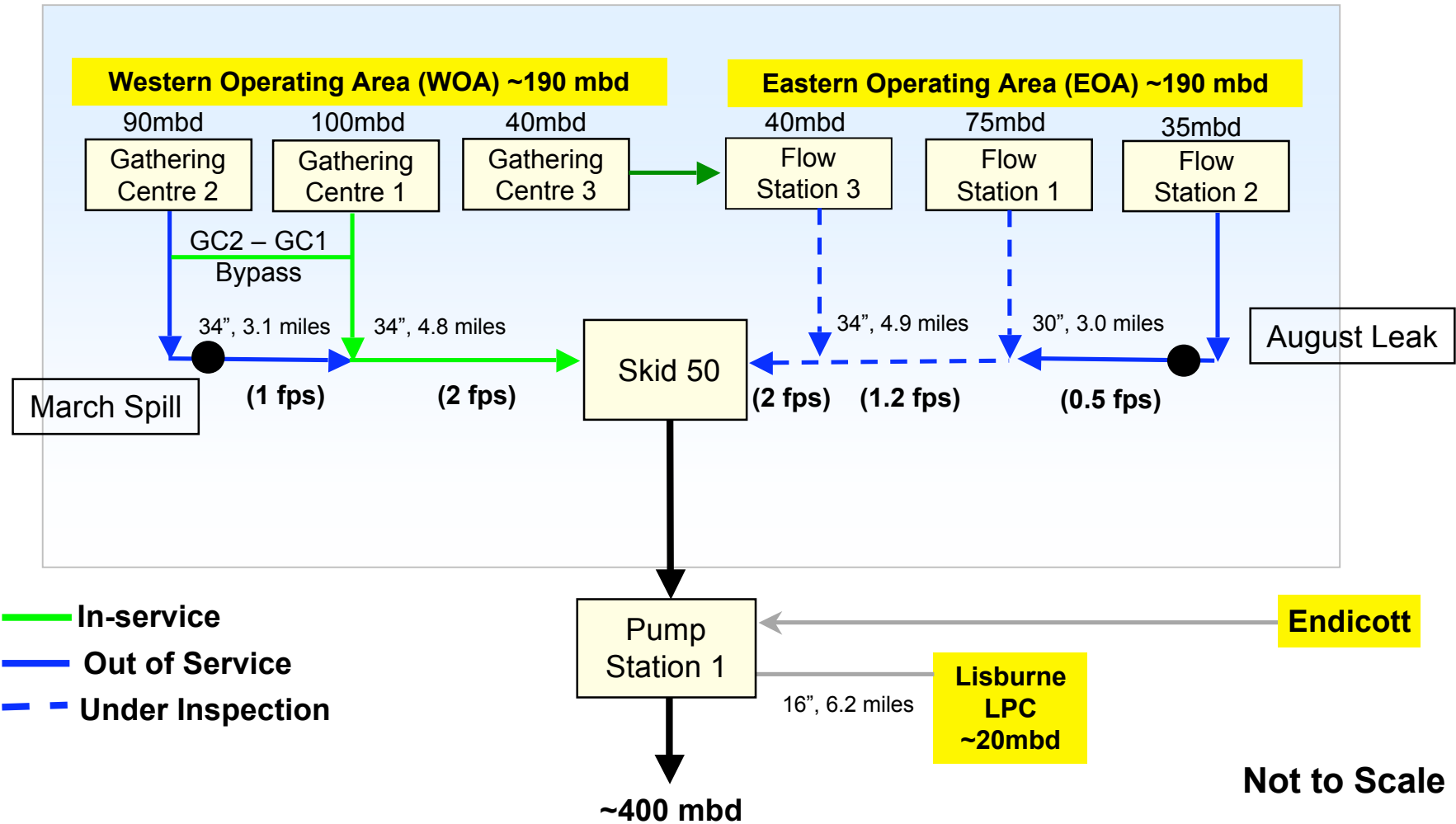




Prudhoe Bay Update

September 7, 2006

EOA & WOA Oil Transit Lines



Our Priorities



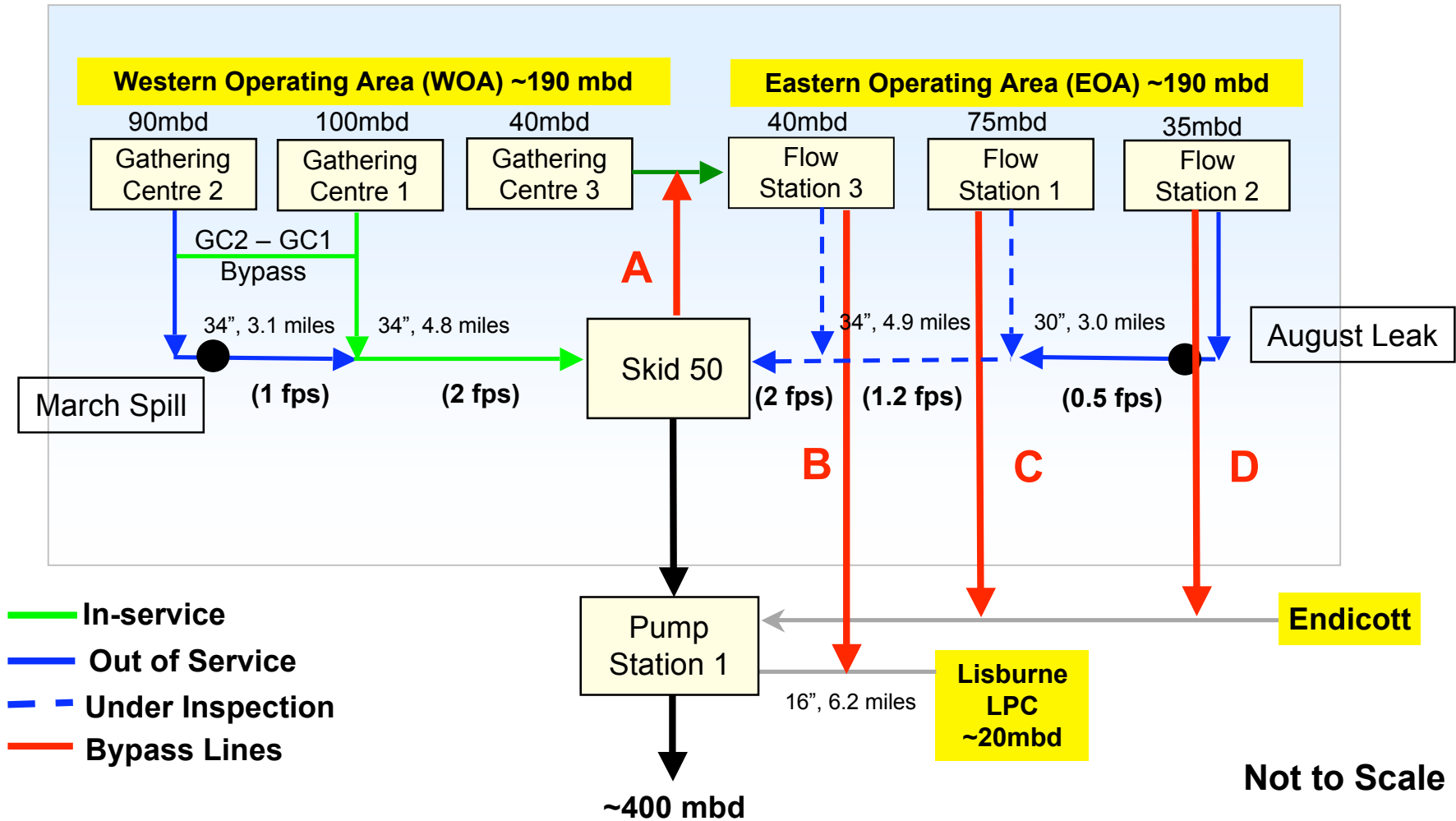
- Assure safety of our people and the integrity of our operating infrastructure
- Work in cooperation with State and Federal Agencies to restore production as quickly as we can safely do so.

Inspection Results Since August 6th



	Total Pipe Length	Total Length UT Inspected	Results
Western Operating Area	25,301'	5513' (22%)	No significant anomalies
Eastern Operating Area	25,996'	4783' (18%)	No significant anomalies

EOA & WOA Transit Line Status



Our Commitments



- Run an in-line inspection tool in each of the Prudhoe Bay Oil Transit Lines that are returned to service.
- Continue to attempt to determine corrosion mechanisms and modify our mitigation programs accordingly.
- Include all BP operated Oil Transit Lines on the North Slope into DOT's Pipeline Integrity Management Program.
- Replace 16 miles of WOA / EOA oil transit lines; regardless of in line inspections outcome, in order to ensure velocity rates are acceptable.
- The organizational structure has been changed with the addition of a Technical Director to provide independent assurance of our integrity management efforts.
- Spending on Prudhoe Bay major maintenance will increase to \$195 million in 2007, a nearly four fold increase from 2004 spending levels.
- To continue to work collaboratively and proactively with the DOT and State regulators