


From: Guide, John
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Attachments: GoM Townhall_09-23-09 for WSL telecon - final.ZIP

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GoM SPU Town Hall

September 23, 2009

Agenda



1. 2009 Performance
 - Safety
 - Production, Capital, Cost
2. Future Projects
3. Exploration
4. Q&A

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2009 Plan Delivery



Exceptional operating performance flowing through to the bottom line

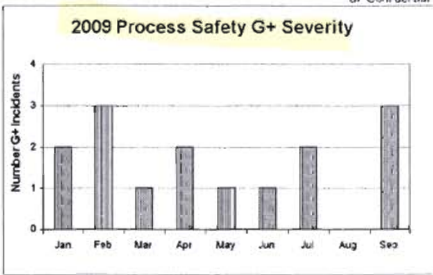
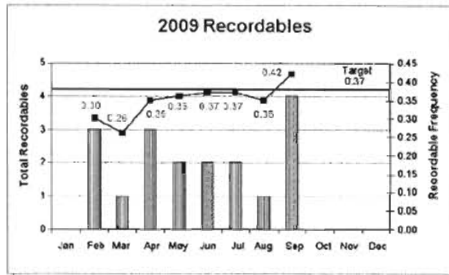
	2008	2009 Plan	2009 LE
Safety TRIR	0.37	<0.37	0.42
Production, mboed	284	350	430
Capital, \$m (excl Exploration)	2427	3105	On track
Cash Costs, \$m (excl Expl and Captive)	925	962	On Track
Reserve adds, mmboe	105		On track
RCOP, \$m	6000	2000	On track
PTCF, \$m	3000	0	On track

On track for another "exceptional" year provided TRIR improves in 4Q
"Ours to Lose"

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Performance
 2008 TRIR performance was exceptional with a 50% improvement vs 2007

2009 YTD performance is flat with September our worst month since May 2008

GOM is the only major SPU with a deteriorating safety performance in 2009

Action Plan
 "Target Zero" in 4Q
 - Need an exceptional 4Q TRIR to re-establish improvement trend

Pace / Amount of Activity
 - "Re-set activity" to be confident that we can plan and execute safely with oversight

Boots on Deck
 - Focus and Intensity of Leadership / Supervision
 - Visibility 'On the Deck'

Recordables



Asset	Number 2009 YTD	Date of Last	Days since Last	Rigs & Other	Number YTD	Date of Last	Days since Last
Nakika	0	6/13/2004	1927	Mad Dog Rig	0	9/28/2007	725
Holstein	0	11/17/2006	1040	Logistics	0	3/6/2008	565
Pompeno	0	3/29/2007	938	SPU Office	0	7/14/2008	435
Mad Dog	0	6/15/2007	830	Bob Palmer	0	10/15/2008	342
Martin	1	4/12/2009	147	Enterprise	1	2/17/2009	217
Horn Mountain	1	6/27/2009	87	Marianas	1	4/1/2009	174
Thunder Horse	3	9/8/2009	14	Deepwater Horizon	2	4/2/2009	173
Atlantis	3	9/12/2009	10	Holstein Rig	2	5/31/2009	114
				DDII	1	7/3/2009	81
				Thunder Horse Rig	3	8/12/2009	41

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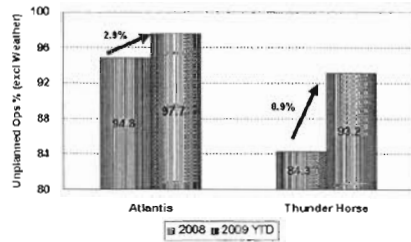
As of 9/22/2009

Improving Operating Efficiency

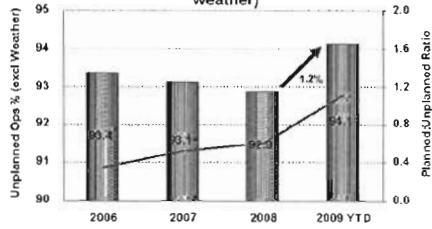


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YTD Atlantis / Thunder Horse Unplanned Ops Efficiency (excluding weather)



YTD Base Unplanned Ops Efficiency (excluding weather)



FY Production Bridge, Sept GFO vs Plan

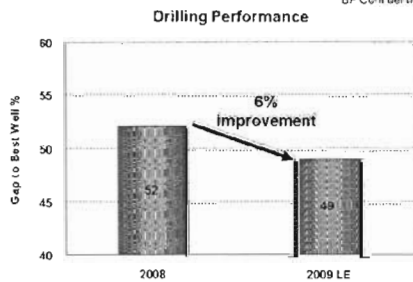
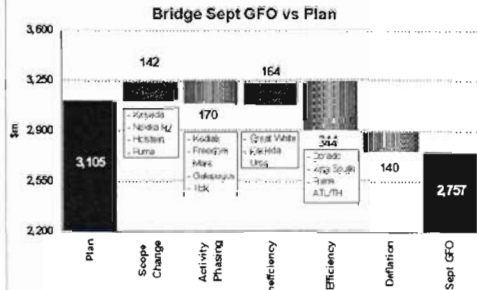
Production - Plan (mboed)	350
Self Help	38
• Early new well delivery and project start-up	11
• Improvement in operating efficiency (excluding weather)	12
• Increased facility IPC	12
• Wellwork	3
Reservoir	27
• Reservoir performance/delayed water breakthrough	8
• New well reservoir performance	19
Release of Aug/Sept weather provision	15
Production - LE	400

Run Time Records, Days as of August 21

	Pre 2008	2008+
Atlantis	--	130
Horn Mountain	79	146
Mad Dog	107	93
Hostein	58	77
Thunder Horse	--	56
Pompano	76	160
Marlin	46	63
Nakika	80	125

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Improving Capital Efficiency

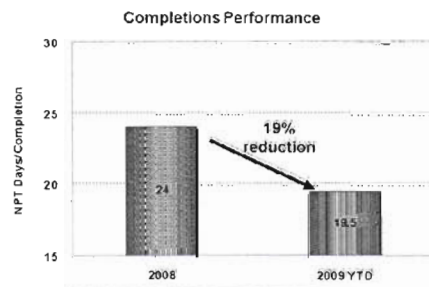


Delivered \$320m of net efficiency vs plan

Dorado and King South delivered ahead of schedule and under their FM promise

Continuous improvement in D&C performance

- 6% improvement in gap to best well benchmark
- 19% reduction in completions Non Productive Time (NPT)



High Quality Projects Portfolio



Sanction	Pre-FID Projects
	Platform Rig Programs
2009	• Mad Dog Rig Replacement
2010	• Horn Mountain Phase 2
2010	• Pompano Rig Program
	Subsea Tiebacks
2010	• Atlantis Phase 2
2010	• Galapagos (Isabela / Santa Cruz)
2010	• Nakika Phase 3
2011	• Atlantis Phase 3
2011	• Nakika Phase 4
	Hubs
2010	• Tbell's/Kodiak
2010	• Mad Dog Phase 2
2010	• Mars B (Shell)
2011	• Freedom (Noble)
2011	• Kaskida
TBD	• Tiber

High Quality Projects Portfolio

- High margin price leveraged oil portfolio

Filling Hubs

- Progressing high quality platform rig programs on Horn Mountain, Pompano

Subsea Tie-Backs

- Strong production line of standardised subsea tiebacks to build on success of Dorado and King South
- Focus on Atlantis and Nakika

Hubs

- Standardised spar concepts for TBK and Mad Dog Phase 2
- Results of Kodiak appraisal well
- Progressing Paleogene appraisal

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Houston Based Questions



Every \$ Counts

- "Are other SPUs embracing the every dollar matters culture?"

D&I

- "I would like to hear details on the D&I action plan in the GoM?"

Reward

- "will we get the right level of recognition and VPP for 2009?"
- "How do you feel about the underspending of the spot bonus budget?"

Capability

- "How many people have we added this year? , update on attrition rate"

Tiber/Mad Dog

- "How do you see the recent announcement about Tiber and the alternate strategy at Mad Dog impacting the Long Term Plan for the SPU?"

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GoM D&I Plan



- **Strategic Intent**
 - A high performance work culture, based fully on merit
 - An inclusive work environment which enables all staff to maximize their potential
 - A high quality workforce which is representative of the markets from which we recruit

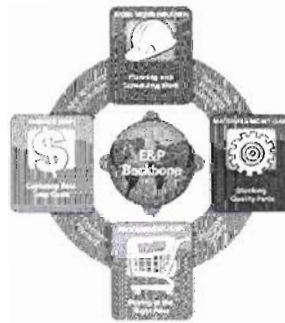
- **D&I Plan**
 - Focus on and close diverse representation gaps at Levels F, G and in some Offshore roles.
 - Expand on initiatives like our Women's "Each one Reach One" process – GoM LT to reach out to a diverse group of high performing employees in one-on-one conversations to raise awareness.
 - Implement D&I HR Processes
 - Insure meritocratic criteria apply in our HR processes, recruiting, succession planning, promotions, salary administration, etc.
 - New 360 feedback processes to provide D&I specific feedback to Team Leaders.
 - Roll out the "D&I Tool Kit" for team leaders

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Backbone



- **GoM Business Process Improvement Needed**
- Fix and improve our underlying business processes and systems
- Holding us back on capturing full cost efficiency & leveraging scale
- Reasons for change – overpaying contractors, late invoice payment, lack of visibility to track spend and materials
- **Backbone – Connect Up the Work**
- Fully integrated system and tools that connects up:
 - Common Purchase to Pay system
 - Single Inventory Management System
 - Maximo version upgrade
 - Portal to access procurement and inventory management processes
- **Backbone – GoM Priority in 2010**



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