

**2009 Performance Contract
Neil Shaw, Gulf of Mexico SPU**

2009 Plan**Part 1: Delivering base expectations****S&O¹**

RIF - Recordable Injury Frequency

Improve vs. '08

OMS - Transition the rest of the SPU to OMS - implement gap closure actions as specified in the GoM SPU Operating Plan (LOMS Handbook)

OPRA (Offshore Personnel Risk Assessment): Complete Appraise studies and identify mitigation plans on all Production PU assets to conform with ETP GP 4432.

Capability

Recruitment - Hire 43 graduates

Support function in development and use of subsea ADP

Inputs

Production², mboed

350

CUD + CD Adds³, mmmboe

75

NP Adds⁴, mmmboe

55

Total Capex excluding Exploration⁵, \$m

3105

Total Cash Costs excluding Exploration⁵, \$m

962

Financials⁵

Underlying RCOP, \$m (excluding Fortnight and interventions)

6907

Free Cash Flow, \$m (excluding Fortnight and interventions)

3130

2009 CIP**Part 2: Demonstrating progress beyond plan (CIP)****Volume - mboed****+ 10 mboed****D&C related**

5% improvement on Days per 10K and 5% improvement in completions days to accelerate new

Project Start-ups

	Plan	CIP
Thunder Horse North	01-Mar	01-Feb
Dorado	01-May	01-Apr
Atlantis North	01-Jul	01-Jun
King South	01-Jul	01-Jun

Operating Efficiency

Reduce planned losses through optimization of TARs and well tie-ins.

Costs - \$m

For exceptional delivery, achieve \$900m Total Cash Costs excluding exploration with no impacts to safety and integrity of the operations, or to organizational capability.

PSCM

1) Major Sector Strategy Renewal for 2009:

- Well Services negotiations finalized and contract in place.
- Complete Demand planning for Marine Sector, approach Market and Complete contracting.
- Complete selection and contractual relationship for SPAR provider and umbilicals.

2) Complete Forensic audits of ~\$1 bn billings.

3) Implement PTF/WMS system to drive contract compliance and reduce contract leakage.

4) Maintain progress to maximize partner recovery.

Part 3: Leadership**Assessment against the leadership framework**

Energise the organisation (improve ESH and continuously improve organisational capability)

Deliver simplification through SPU integrated planning (prioritised and resourced activity set) and standardised performance management system

Deepen 'every dollar counts' culture to underpin CIP cost delivery

Support CFO in delivery of CIP target on Cash (and RCOP)



SCE - A.G. Inglis



GoM SPUL - N.Shaw

¹ At prices of \$100/bbl Brent and \$7.5/mmbtu HH.

² At prices of \$100/bbl Brent and \$10.0/mmbtu HH. NP adds exclude exploration/discovery volumes.

³ Reduction against the '08 base plan due to impact of lower inflation should be noted.

⁴ Reduction against the '09 base plan due to impact of lower inflation should be noted.

⁵ At prices of \$100/bbl Brent and \$7.5/mmbtu HH.