

Five Years of TNK-BP:

- Building a Company
- Building a Brand

Denis Kryanin

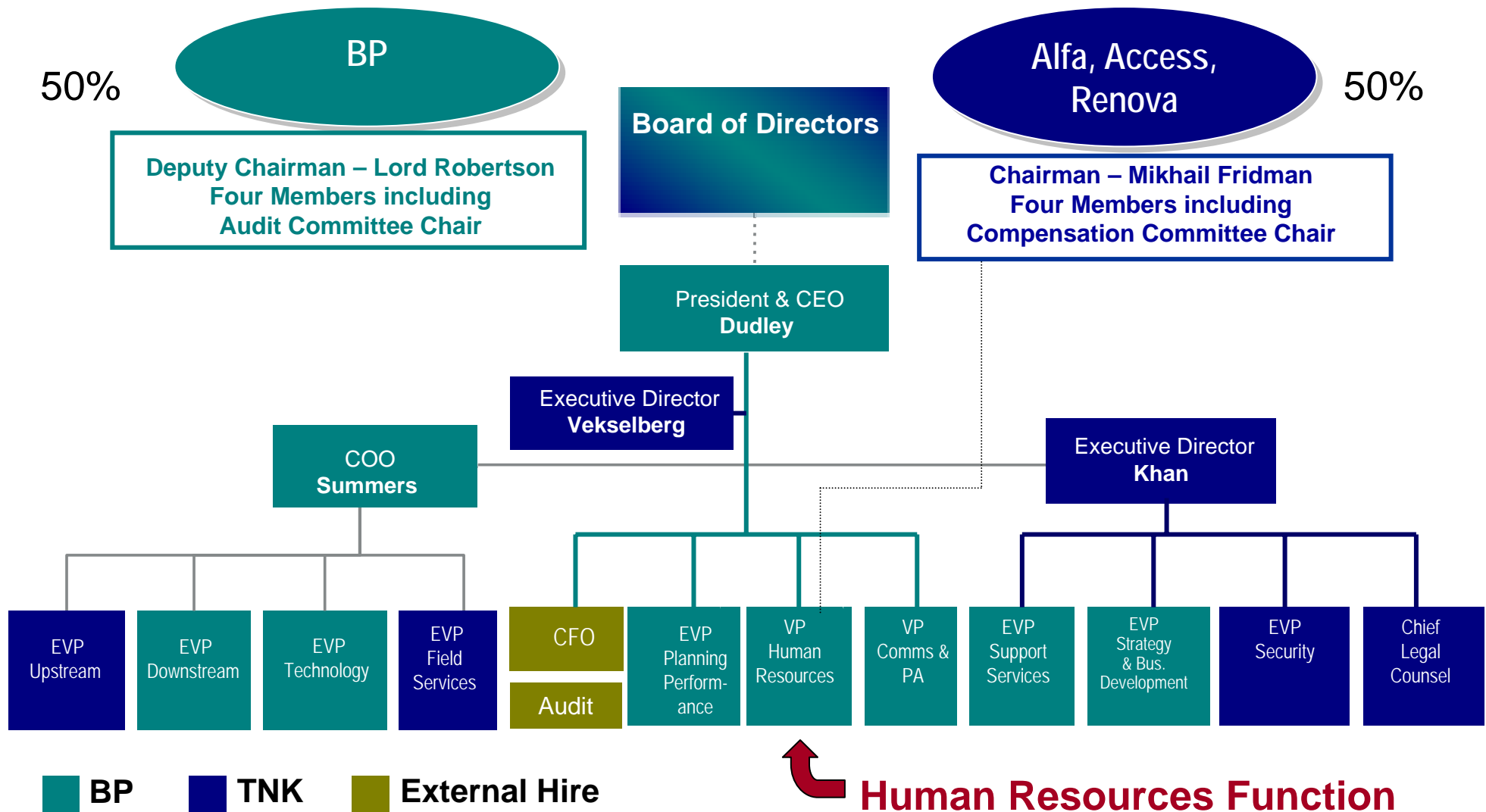
Corporate HR Director,
Operations

Andrey Chepurnov

Director,
Resourcing & Recruiting



TNK-BP: Equal Ownership and Oversight



Who are the AAR Shareholders?

THK·BP



Mikhail Fridman
Alfa Group

- Banking
- Telecomms
- Retailing



Len Blavatnik
Access Industries

- Oil/Gas
- Chemicals
- Telecomms



Viktor Vekselberg
Renova Group

- Metals
- Property
- Communications

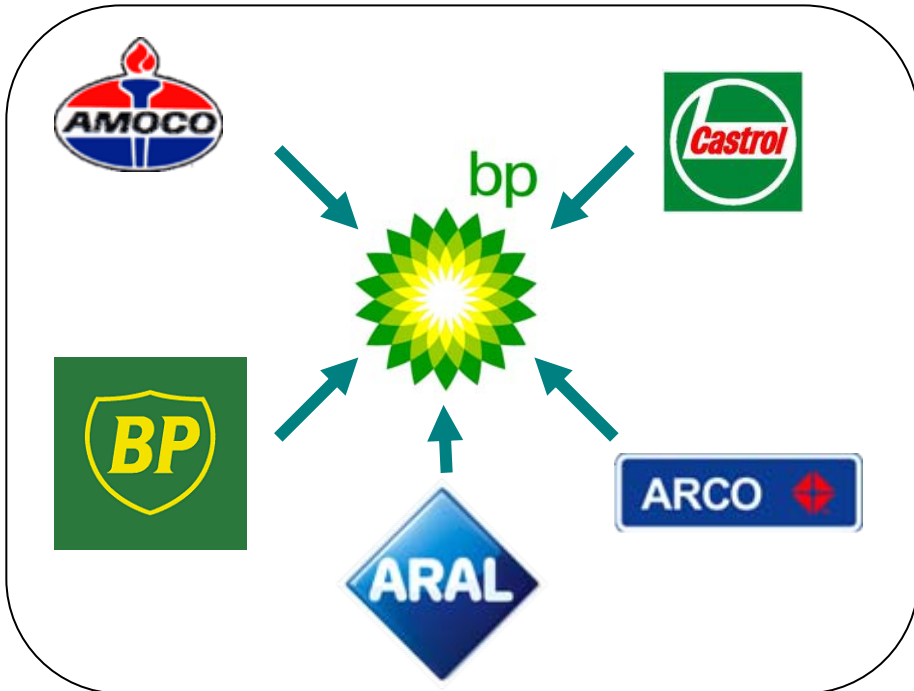


German Khan
Alfa Group

- Banking
- Legacy TNK Top Exec

Who is the BP Shareholder?

THK-BP



- World top 3 private oil company; created through mergers of leading US and European companies
- Global operations in North Sea, Gulf of Mexico, North Africa, Angola, Alaska, Trinidad, Azerbaijan
- CEO was an original TNK-BP Board Member

2007 Results:

- \$284 billion in revenue
- \$18 billion in profit
- \$19 billion in capital spending
- 96,000 employees



Hayward



Browne

Rationale for TNK-BP



For BP, it delivers:

- New reserves to ensure long-term growth
- New production region to ensure diversity of supply
- Proximity to markets
- Builds on relationship with Russian partners

For AAR, it delivers:

- New technology
- Access to international capital
- Access to world-class management skills
- Access to new international markets
- Higher HSE standards



TNK-BP in Russia



TNK-BP at a Glance - 2008

THK·BP



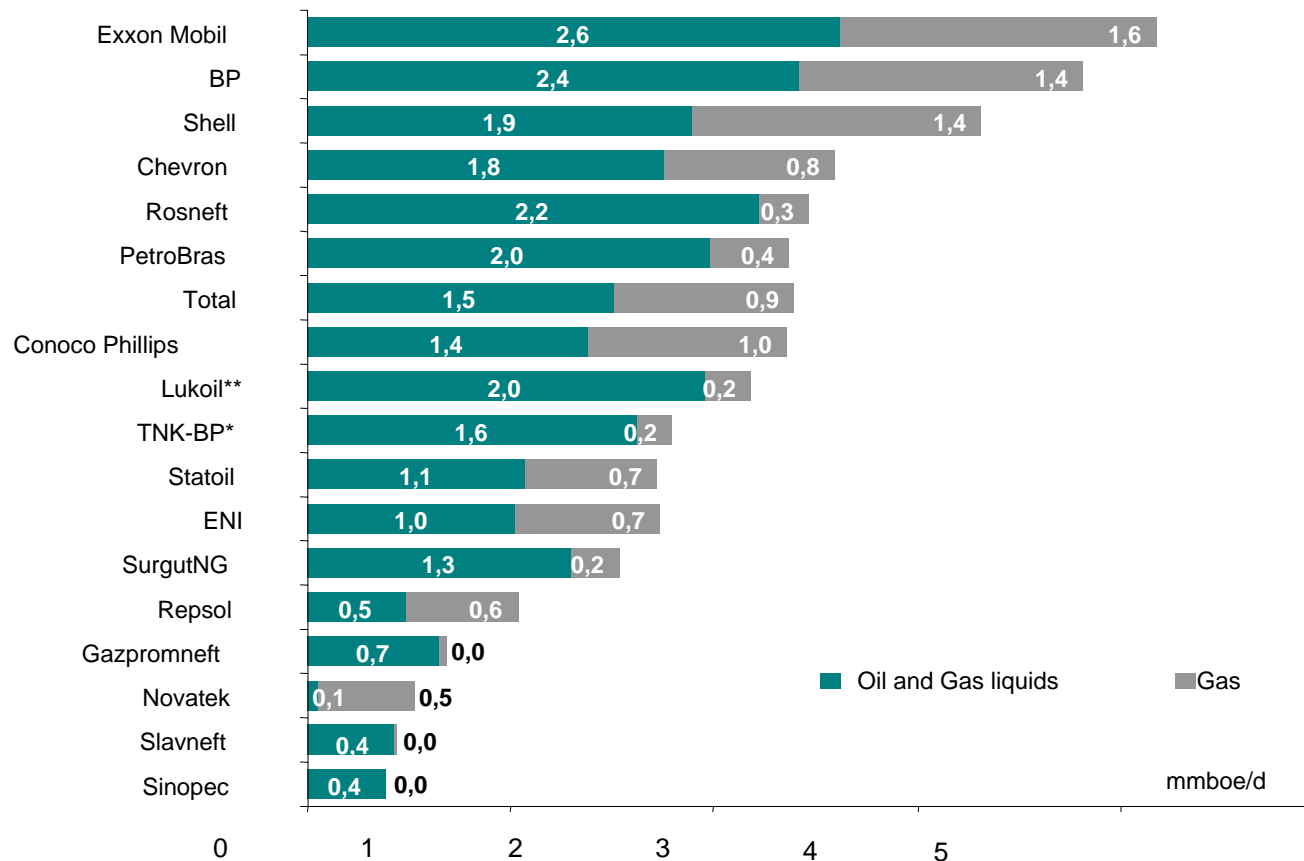
- Production 1.8 mln boe/d
- Russia's top-three and one of the largest private-sector oil producers globally
- Proved reserves of 10bn boe (PRMS)
- 120 drilling rigs and nearly 600 workover rigs operating
- 150 license areas
- 23,000 km of pipelines
- Five refineries in Russia and Ukraine
- Major retailer of fuels in Russia and Ukraine; 1,600 TNK and BP branded sites
- 61,000 employees
- \$68bn paid in taxes, duties and excise since inception
- Organic reserve replacement rate 141% (2004-2007)



TNK-BP and global peers



2007 oil and gas production



Note: *TNK-BP includes 50% stake in Slavneft
 ** LUKoil includes oversees production

HR Journey

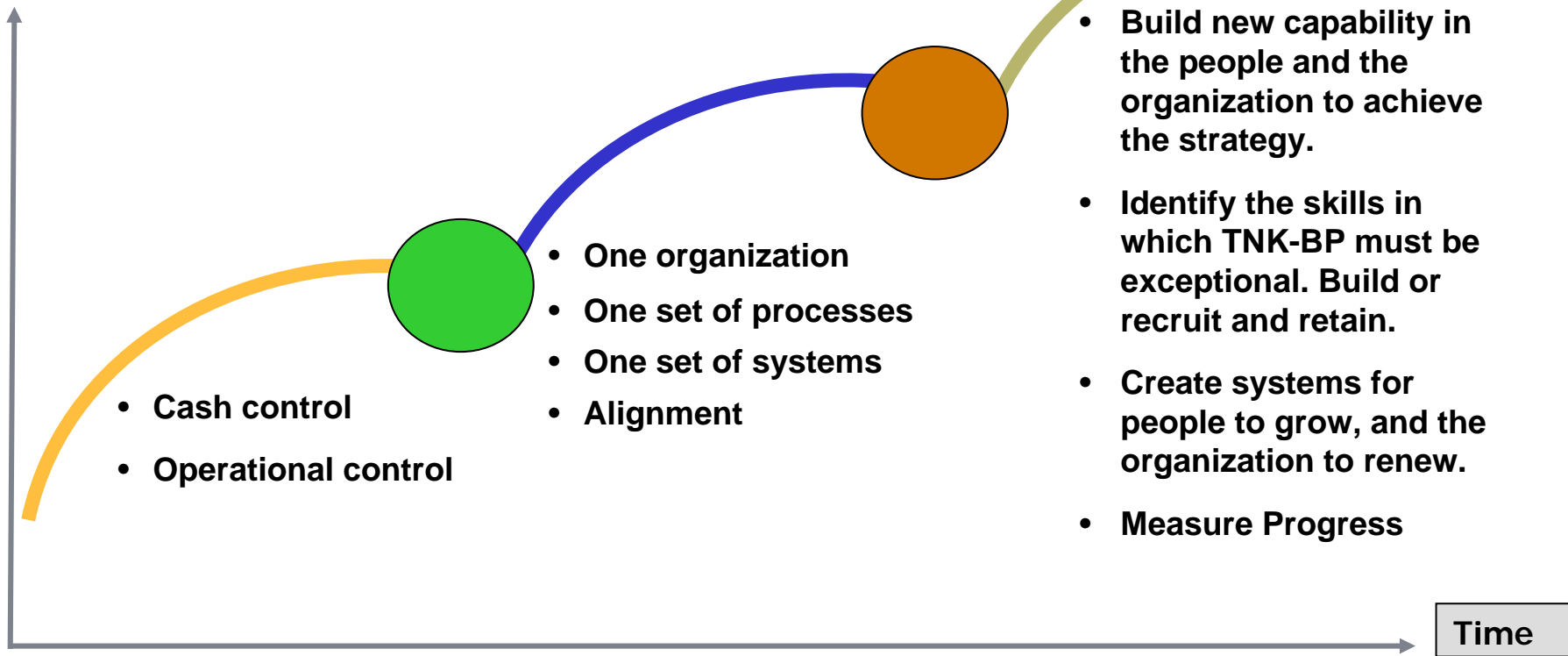


2003

2004-2005

2006-2007

Performance



- Cash control
- Operational control

- One organization
- One set of processes
- One set of systems
- Alignment

- Build new capability in the people and the organization to achieve the strategy.
- Identify the skills in which TNK-BP must be exceptional. Build or recruit and retain.
- Create systems for people to grow, and the organization to renew.
- Measure Progress

Merge

Consolidate

Build Capability

Time

People

THK·BP

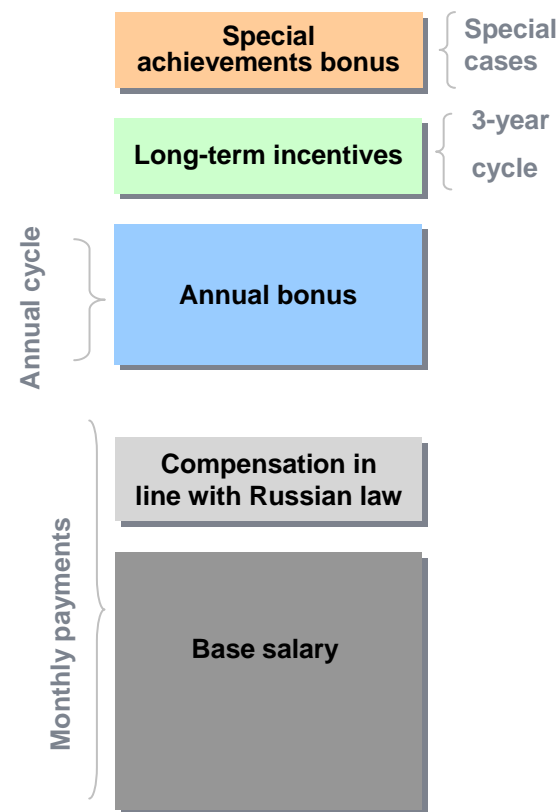


- Harmonized Compensation System
- Performance Contract / Short Term Incentive Plan
- Long Term Incentive Plan
- Management and Leadership Learning Progress
- Technical Training
- Competency Development



Basic Elements of the Salary System

- ◆ **Grading** of jobs and professions by the Hay method.
- ◆ **Base salaries** are set in accordance with a salary range assigned to each position's grade. The salary range reflects the market level for comparable positions.
- ◆ An **annual bonus** is paid to ALL employees. The size of the bonus depends on Company and Stream/Function performance and each employee's personal performance.
- ◆ A **long-term incentive** is paid to senior employees based on corporate performance over a 3-year period.
- ◆ **Bonuses for special achievements** are granted to employees.



Programs for Organizational Development

